

Denmark's International Study Program

International Business & Economics Program

Doing Business in the European Union (A)

(International Business & Economics Core Course)

Fall 2007

Time: Mondays and Thursdays, 8:30 – 9:50 am.

Place: VESTER 10 A12

Instructors:

Susanne Goul Hovmand

Cand.Merc. (International Business, Copenhagen Business School, 1999). Marketing Research Consultant: Harrigan-Bodick, Inc. New York (2000- 01), TNS Gallup A/S Copenhagen (2002-06). External Lecturer, Copenhagen Business School (2003-05). With DIS since 2006.

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 Softdrink Association (from 1996), President of the Beer and Society Committees, Brewers of Europe, Brussels; several board memberships. With DIS 1988-92 and from 2002.

E-mails: sgo@dis.dk; nh@bryggeriforeningen.dk

DIS contacts:

Maj Fischer, Program Director, mf@dis.dk, tel: +45 3376 5451

Maureen Martin, Program Assistant, mm@dis.dk, tel: +45 3376 5483

Prerequisites: A one-year sequence of courses in micro and macroeconomics.

Content:

The European business environment will be studied through lectures and broad based business analysis (written assignments and case-studies) of European and Danish companies. The focus is on three themes: 1) Business and economy in the "new" Europe, and how the EU political system works from a business angle. 2) Focus on the Internal Market, the Euro currency, Competition policy, the workforce and the emerging markets in Central and Eastern Europe, and 3) Strategy and

structure of European business: Business strategy, marketing, environment, management, and the global market place.

Learning objectives:

At the end of this course you should be able to:

- ✓ Identify important steps in EU integration, name EU institutions and identify policy areas that are important to the business environment in Europe
- ✓ Show how these EU institutions and policy areas influence the European business environment
- ✓ Analyze how companies should react and position themselves strategically and operationally responding to key issues in Europe's evolving business environment.
- ✓ Conduct a business analysis for companies operating in the European business environment
- ✓ Combine theoretical arguments with empirical facts and present these in a paper
- ✓ Apply critical thinking (pro/con) in analyzing empirical/corporate information

Field study and study tours:

On Wednesday, September 12, in the afternoon, there is a **company visit**. Thursday, September 13 through Saturday, September 15, there is a **study tour to Western Denmark**. The tour includes two additional company visits. There will also be various cultural and historical visits. **Assignment I** is a comparative report on the three company visits. Orientation for the tour and the assignment will be given in class on Monday, September 10.

There is a one-week **study tour to London/Brussels or Berlin/Prague from October 14 – October 20** including professional study visits to EU institutions and multinational companies. In addition, a number of cultural visits are included. **Assignment II** is related to visits during this study tour.

There are guest lectures on September 24, November 19, November 22, November 26 & December 6.

For more information on the study tours including what groups you are in and which cities you will be in on which days, please go to the Doing Business in the European Union A page on DIS FORUM and look under "Files."

Written assignments:

Assignment I is a 4-page (double spaced pages of 300 words each) analysis of the strategic behavior of the three companies visited during the study tour to Western Denmark. The paper is due at the front desk on **Monday, September 24** at 8:30 a.m. **Late papers are not accepted.**

Assignment II is 14-16 pages (double spaced pages of 300 words each) for groups of 2-3 students. The assignment is concerning "Strategic Planning for the Single European Market", based on El Kahal, Sonia: "*Business in Europe*", McGraw Hill 1998, pp. 107-128 (Binder 30). The assignment is to create a business plan for an actual company most likely a company visited during the study tour to London/Brussels or Berlin/Prague. Field research and dialog between students and the company is an integral part of the assignment. Before the study tour, there will be a consultation session with the instructor to define your topic. In addition, you are expected to do preliminary research before the study tour. There will be a second consultation session after the study tour. The

paper is due at the front desk on **Wednesday, November 21** at 5 pm. **Late papers are not accepted.**

Short Answer Test and Final Exam

Please note that there is a short answer test on **September 20** during class. There will be a final exam as well sometime between December 13 and December 18. The exact date, time and location of the final exam will be determined following the travel break in November.

More information on assignments and exams will be provided.

Grading elements:

Short-answer test	5%	September 20
Assignment I	20%	September 24
Assignment II	25%	November 22
Final exam	35%	TBA
Participation	15%	(class, field studies and study tours)

Readings

Useful information on the EU can be found at:

The European Union's official web portal: <http://www.europa.eu.int>

Ministry of Foreign Affairs, Denmark: www.um.dk

Textbook: Mercado et al.: "*European Business*", 4. ed. Pearson Education, Essex, 2001.

Binder:

1. Nugent N. & O'Donnell R.: "*The European Business Environment*", 1994. MacMillan. Pp. 8-26.
2. "EU integration seen through statistics" European Commission Report, 2006.
3. "Steps towards a deeper economic integration: the Internal Market in the 21st century" European Economy. 2007.
4. "The United States as a Monetary Union", EMU study, HM Treasury, pp. 1-4.
5. Porter, M.: *Competitive Strategy. Techniques for Analyzing Industries and Competitors*. NY: The Free Press, 1980. Pp. 3-46.
6. "Tomorrow the world" The Economist. February 8, 2007.
7. John McCormick: "Understanding the European Union", Palgrave MacMillan, Third edition, 2005. Chapter 3, 4, 7 and pp. 197-201.
8. John D. Daniels, Lee H. Radebaugh, Daniel P. Sullivan: "*International Business*", 2004. Prentice Hall. Pp.203-204: Case Ford Europe.
9. "EU and US approaches to lobbying", EurActiv.com, August 2005.
10. "EU sets out new lobbying rules", International Business Times, March 21, 2007.
11. "Report: State Aid Scoreboard – spring 2005 update". Commission of the European Communities.
12. (Deleted)
13. (Deleted)
14. Boeder, Thomas and Dorman, Gary: "*The Boeing/McDonnell Douglas Merger: The Economics, Antitrust Law and Politics of the Aerospace Industry*", The Antitrust Bulletin,

Spring 2000:

http://www.perkinscoie.com/content/serviceareas/resourcecenter/antitrust/boeing_mcdonnell.pdf

15. "Mergers and acquisitions: Europe's coming merger boom". **In:** *The Economist*, April 7th 2005.
16. "Regulators fine British Airways \$550M", Jill Lawless, January 8, 2007.
17. "When your competitor delivers more for less" The McKinsey Quarterly Online, 2004.
18. (Deleted)
19. (Deleted)
20. Business related services: a key driver of European competitiveness. An enhanced economic analysis, European Commission: Enterprise Directorate-General, 2004, Executive summary, pp. 3 – 7.
21. (Deleted)
22. (Deleted)
23. Baldwin, Ricard & Wyplosz, Charles: "*The Economics of European Integration*". Maidenhead: The McGraw-Hill Education, 2004. Chapter 8.
24. "Oh, sweet reason". **In:** *The Economist*, April 15th 2004.
25. "Reform of the EU Sugar Regime", CIUS 2003.
26. (Deleted)
27. (Deleted)
28. "Revue Elargissement Special Banking", Dossier 50 – English issue – January 2005 at: www.missioneco.org/elargissement
29. "Revue Elargissement Special Automobile", Dossier 52 – English issue – March 2005 at: www.missioneco.org/elargissement
30. El Kahal, Sonia: "*Business in Europe*", McGraw Hill 1998, pp. 107-128.
31. "How to improve strategic planning" The McKinsey Quarterly Online, 2007.
32. (Deleted)
33. Photocopies of slides as regards "Marketing and obesity".
34. "American values: Living with a superpower". **In:** *The Economist*, January 2nd 2003.
35. Dicken, Peter: "*Global Shift. Reshaping the Global Economic Map in the 21st Century*". London: Sage Publications, 2003. Chapter 3, Pp. 32-81.
36. (Deleted)
37. "EU – USA Summit USA largest trade and investment partner of EU 25 Steady growth in EU 25 surplus for trade in goods, The European Commission, STAT/05/80, 20th June 2005.
38. "The Global Textile and Clothing Industry post the Agreement on Textiles and Clothing", Hildegunn Kyvik Nordås, Discussion Paper No 5, WTO 2004.
39. "Textile-trade politics: A knotty problem". **In:** *The Economist*, June 2nd 2005.
40. (Deleted)
41. (Deleted)

42. "The euro and trade": http://www.economist.com/displaystory.cfm?story_id=7085268
43. "Mapping the global capital markets" [The McKinsey Quarterly Online](#), January 2007.
44. (Deleted)
45. (Deleted)
46. "Top trends in the global capital markets business" [The McKinsey Quarterly Online](#), January 2007.
47. "Industry comment: The outlook for European corporate and investment banking" [The McKinsey Quarterly Online](#), August 2006.
48. "Forcing Windows open: how Brussels and Microsoft squared up for an epochal battle" and "Windows shutdown: why Microsoft and Brussels went their separate ways". *Financial Times*, 20-21 April 2006.
49. (Deleted)
50. "The battle for Europe's low-fare flyers". **In:** *McKinsey Quarterly*, Web exclusive, August 2005.
51. (Deleted)
52. "From fundamental freedom to political and economic 'hot potato' in 50 years: labour mobility and migration within the EU" University of Salford, February 2007.
53. "When social issues become strategic". *McKinsey*.
54. "Doha: What is at stake":
http://ec.europa.eu/comm/commission_barroso/mandelson/index_en.cfm
55. "Why Washington and Beijing need strong global institutions." *Financial Times*, 19 April 2006.
56. "From T-shirts to T-bonds":
http://www.economist.com/displaystory.cfm?story_id=4221685
57. "The EU's 'Reform Treaty'" www.euractiv.com. April 26, 2007.
58. (Deleted)
59. "EDF's highly charged sales." *The Economist*, 24 October 2005.
60. "The Lisbon Review 2006." World Economics Forum 2006.
61. "EU budget 2007." European Commission 2006.
62. "Consumers: introduction." European Commission homepage download. December 22, 2006.
63. "Consumer Protection in the European Union: Ten basic principles." European Commission homepage download. December 22, 2006.
64. "Introduction to Financial Services" www.euractiv.com November 16, 2004.
65. "Buy, buy, buy" [The Economist](#). May 24, 2007.
66. "New member states, stock exchanges, one year after EU accession." June 30, 2005.
www.euractiv.com

67. "The overlooked potential for outsourcing in Eastern Europe." Web exclusive, December 2006. The McKinsey Quarterly Online.
68. "Everything in moderation", Marketing Week 2006 Nov. 30, p. 22-23
69. "Managing Multicultural Teams", Jeanne Brett, Kristin Behfar, Mary C. Kern, Harvard Business Review, November 2006.
70. "The new SEPA landscape from vision to reality (and back)" Speech by Gertrude Tumpel-Gugerell, Member of the Executive Board of the ECB at 2007 EPCA Payments Conference Frankfurt am Main, 15 May 2007 <http://www.ecb.int/press/key/date/2007/html/sp070515.en.html>
71. "Getting ready for Europe's new investor protection rules" The McKinsey Quarterly Online.

Detailed Schedule

Section 1: Introduction: business and economy in the 'new' Europe and the EU

The purpose is to understand business and economy in the 'new' Europe, and how the EU political system works with special reference to business relations.

1. Thursday, August 30: Business and economy in the 'new' Europe

Readings: Mercado (Ch. 1), Binder 1, pp. 10-18, Binder 2, Binder 6

Introduction to the course

Combined session: Niels Hald and Susanne Hovmand

2. Monday, September 3: Understanding the European Union

✓ A basic understanding of the EU institutions and how they work.

Readings: Binder 7 (ch. 3 and 4), Binder 57

3. Thursday, September 6: Understanding the European Union - Lobbyism

✓ Insights into how companies lobby within the EU through real life cases.

Case: Coca Cola and the EU sugar policy, health policy

Readings: Binder 9, Binder 10

Combined session: Niels Hald

Trip to CBS Library, meet at 5 p.m. at DIS, optional event

Section 2: The 'new' European business environment

The purpose is to gain insight in the 'new' European business environment. The focus is on the Internal Market, the Euro currency, Competition policy, the European workforce and the transition economies of Central and Eastern Europe

4. Monday, September 10: The Single European Market

✓ A basic understanding of what the Single European Market is about

Readings: Binder 7 (ch.7), Binder 5 (Ch. 1 & 2, required for answering Assignment I)

Introduction to assignment I and study tour orientation

Election of two class representatives

Wednesday, September 12: Field Study

Thursday, September 13 through Saturday, September 15: Western Denmark Study Tour

5. Monday, September 17: The Single European Market in the 21st century

- ✓ Knowledge of the current level of economic integration and the effects of the Single European Market

Readings: Binder 3

Introduction to short answer test

6. Thursday, September 20: The transition economies: Central and Eastern Europe

- ✓ Understanding the opportunities and challenges of the integration of CEE from a business perspective

Cases: Banking and the automobile industry

Readings: Mercado (Ch. 7), Binder 28, Binder 29, Binder 67

Short Answer Test

7. Monday, September 24: The Euro – a currency for Europe

- ✓ A basic understanding of the Euro

Readings: Mercado (Ch. 4), Binder 4

Combined session: Christian Thygesen

Assignment I is due at the front desk at 8:30 a.m.

8. Thursday, September 27: EU competition rules applying to private undertakings (1/2): Anti-trust, cartels and abuse of a dominant position.

- ✓ Knowledge of EU competition rules and how they influence business through real life cases

Cases: Microsoft, Coca Cola, Airlines

Readings: Mercado (Ch. 5), Binder 48, Binder 16

Combined session: Niels Hald

Class Reps Meeting, 10:15 – 11:00 a.m. location Vester B24

Be sure to communicate your feedback on the course and other IBE related issues to the two reps. See the Forum if you are unsure who your reps are.

9. Monday, October 1: EU competition rules applying to private undertakings (2/2): Mergers

- ✓ Knowledge of EU competition rules and how they influence business through real life cases

Case: McDonnell Douglas – Boeing Merger, Carlsberg/Coca Cola Joint Venture

Readings: Binder 14, Binder 15

Combined session: Niels Hald

10. Thursday, October 4: Competition, aid and industry: EU policy action

- ✓ An understanding of the role of and areas covered by EU competition policy

Case: EDF

Readings: Mercado (Ch. 5), Binder 11, Binder 59

Combined session: Niels Hald

11. Monday, October 8: The European workforce: change and regulation

- ✓ Insights into labor mobility and integration in the EU

Cases: Service Directive and working force migration

Readings: Mercado (Ch. 6), Binder 7 (p. 197-201), Binder 20, Binder 52

Section 3: The strategy and structure of European business

The purpose is to understand business strategy and the Single European Market, managing cultural diversity, marketing in the 'new' Europe, consumer policy and liberalization of EU markets, environmental policies and management, and European business in the global marketplace.

12. Thursday, October 11: Strategy and business planning for the Single European Market

- ✓ Creating strategic business plans for the Single European Market.

Readings: Mercado (ch. 8), Binder 30, Binder 31, Binder 8

Introduction to Assignment 2

Combined session: Susanne Hovmand

Study Tour Orientation, 10:15 – 11:15 a.m., at Vester 10 B24

Sunday, October 14 to Saturday, October 20: Long Study Tour

Sunday, October 21 to Sunday, November 4: Travel Break

13. Monday, November 5: Managing cultural diversity

- ✓ Understanding of how to deal with the challenges arising from working with many different cultures within the EU

Case: European and American values

Readings: Mercado (Ch. 10), Binder 34, Binder 69

Combined session: Susanne Hovmand

14. Thursday, November 8: Marketing in Europe

- ✓ Insights into what businesses need to consider when marketing products/services in Europe

Readings: Mercado (ch.9), Binder 68

Combined session: Susanne Hovmand

Friday, November 9: IBE Dinner, 6 p.m. Place: TBA

15. Monday, November 12: Consumer policy and marketing regulations

- ✓ Understanding of EU consumer policy and marketing regulations and how they influence business

Case: Marketing of soft drinks and obesity

Readings: Binder 33, Binder 53, Binder 62, Binder 63

Combined session: Niels Hald

Wednesday, November 14: Program Event - International Career Night. 5:00 p.m., location TBA

16. Thursday, November 15: Liberalization of the European Markets and the Lisbon Process

- ✓ Insights into the process of liberalization of the European markets

Cases: Airline Industry

Readings: Binder 17, Binder 50, Binder 60

Combined session: Niels Hald

17. Monday, November 19: The Euro and the financial sector

- ✓ How the Euro has influenced the banking and financial sector

Case: Mergers of European Stock Exchanges

Readings: Binder 42, Binder 43, Binder 64, Binder 65, Binder 66, Binder 71

Combined session: Guest lecturer: Kaare Barslev, Head of Division, Ministry of Finance

Wednesday, November 21: Assignment 2 is due at the front desk at 5 pm.

18. Thursday, November 22: “Investment strategies in the EU with special focus on CEE”

Combined session: Guest lecturer: Claus Bayer, Royal Unibrew

19. Monday, November 26: The EU budget and the CAP

- ✓ Insights into the EU budget and the CAP

Case: EU Sugar Policy – the costs of sugar production

Readings: Binder 23, Binder 24, Binder 25, Binder 61

Combined session: Guest Lecture from Danish Agricultural Council

20. Thursday, November 29: European business: competing in the global marketplace

- ✓ Knowledge of globalization, world trade and EU's external trade policy

Readings: Mercado (Ch. 12)

Combined session: Niels Hald

Class Reps Meeting, 10:15-11:00, location DIS Vester 10 B24

Communicate your feedback on the course and other IBE related issues to the two reps. See the Forum if you are unsure who your reps are.

21. Monday, December 3:

The EU's trading relationship with China & the USA.

- ✓ Examines the EU's trading relationship with China and the USA

Readings: Binder 54, Binder 37, Binder 38, Binder 39, Binder 55, Binder 56

Combined session: Niels Hald

22. Thursday, December 6: The greening of European business: environmental policies

- ✓ Insights into EU environmental policies and how they impact business

Readings: Mercado (Ch. 11)

Combined session: Guest lecturer: Nils Thorsen, Senior Manager, Ernst & Young

23. Monday, December 10: Summing up. Introduction to final exam.

Readings: No reading

Combined session: Niels Hald