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# Course Title: C.1.2.1 External Analysis (incl. Intercultural Differences)

# Abstract:

The class is split into two units (external analysis and intercultural differences). The external analysis focuses mainly on the country selection process. Two popular sets of criteria for the macro-screening process are introduced. Although the criteria as such are sound, it is very complicated to find verified data and weight the criteria. Student should learn and understand this themselves in a practical exercise. In a similar manner, the micro-screening process using Porter’s Five Forces Model is introduced. The learning outcome of the exercise is similar to the macro-screening process. The slides here offer very basic information and the focus should be on the exercises.

The unit that focuses on intercultural differences introduces the classic concepts of intercultural differences. The excercises that relate to the individual models are different (online test, video exercise, class discussion, paper presentation) to create some diversity. Students should become aware of the differences and similarities in the models. We also included two games/similations on intercultural competence, to prepare students for their cross-cultural work within INTENSE C3. However, this does not replace an intercultural class but is rather a refresher. Students should have taken an intercultural class before.

# Learning Objectives:

* Learning Objective 1: Explain the importance of understanding the external environment in potential host countries
* Learning Objective 2: Be able to analyse the general country environment and the specifics of the industry
* Learning Objective 3: Students should understand and compare different cultural taxonomies
* Learning Objective 4: Students are able to classify different cultures according to various dimensions to make sense of generalised (stereotypical) behaviour in host countries
* Learning Objective 5: Students are aware of advantages and disadvantages of different taxonomies

# Assessment Method:

Presentations, group exercises, reports on markets

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| Session # | Session Content | Method(s) | Learning Objectives of Session | Material | | Time (mins.) | Comments |
| 1. | **External Analysis** | | | | | **140** | **225 min self learning** |
| *Exercise*: Brainstorming via World Café  (<http://www.theworldcafe.com/key-concepts-resources/world-cafe-method/>)  Brainstorming in small tables that are hosted by one person;  At the end harvest the ideas | ***The brainstorm session*** is about *what actions an SME can take when internationalising;*  Procedure: Sit at tables in groups of four. Draw a map and write *‘JUST’* in it. Jot down as many actions you can think of *that a SME can do to internationalise* (5’)  Three students move to the other table. The person who holds the table gives a short summary of the results, asks the three students to add new ideas (5’)  Move once more (5’)  Share and group the harvest (15’) |  | Large-sized paper (on which a map is drawn with the word ‘JUST’ in it), spacious room with set up in small tables  Slide 3 | | 30 |  |
| Brief introduction to the steps of the market selection process (external analysis) | PPT presentation and discussion  Including short video of SME example | Students need to understand that the initial screening process and the initial country selection is often random and not very scientific  Students should get a basic idea where to find easy accessible country information | PPT (Slides 4-7)  Video (<https://www.youtube.com/watch?v=KomVti7p-4Y>) | | 10 |  |
| Discussion of criteria deployed in a macro-screening process. Three sets of criteria are used (1. PESTLE, 2. More extensive from the Economist, 3. From Hitt et al.)  Students should evaluate which criteria make sense to them and how useful they are. | PPT presentation and discussion | Get a general understanding of what typical criteria are | PPT (Slides 8-15) | | 20 |  |
| Macro screening exercise to illustrate potential problems with those criteria “hands-on” (see ppt.). I actually have never seen a “good” macro-analysis from students and the idea here is that they realise the problems of these models themselves. This can also be a group exercise or a report outside of the classroom; what is important is the reflection about problems after the exercise. | Self-learning process | Students should understand that not all criteria have an equal weight and some are more or less important (depending on your firm).  Students should identify usable databases.  Students should understand that a comparison of many criteria is very tricky, particularly for countries with a similar economic situation. | PPT (Slide 16)  Online Databases | | 50 | Self-learning process at home or in class |
| Micro-screening and introduction of 5 Forces Model | PPT presentation, reading and discussion | Students should understand the basics of the 5 Forces Model and its applicability for country comparisons | PPT (Slides 17-25), | | 20 | Article: Porter,M. (2008). The Five Competitive Forces that Shape Strategy. *Harvard Business Review, 86(1),* p. 79-93 (Needs to be purchased separately). (2hrs) |
| Discussion Five Forces : Discuss potential problems of the model (Questions in PPT) | Video and discussion (Slide 25) | Student should critically reflect on problems of the model | Video (<https://www.youtube.com/watch?v=mYF2_FBCvXw>) | | 30 | Video is 13 mins. (Interview with Porter) |
| Exercise: Apply the model for a country comparison | Self-learning process | Be able to apply the model for country comparisons  Understand that the problem is mainly the acquisition of useful data | PPT (Slide 27), Online Databases | | 55 | Self-learning process at home or in class |
| Porter’s Diamond | PPTp resentation, | Students should understand the basics of the Diamond Model and how it compares to the 5 Forces Model | PPT (Slides 28) | | 10 |  |
| Discussion: Applicability to SMEs and in real life | Questions and discussions | Understand that there are only minor differences between SMEs and larger firms in the theoretic model | PPT (Slides 29) | | 5 |  |
| Final discussion on SME example | Discuss whch models and factors are relvant to intial SME example | Understand that the criteria and the weighting needs to be adjusted to the industry, but not necessarily the firms size | PPT (Slides 30) | | 10 | Find a more detailed version of the Video as one of the INTENSE cases |
| Summary |  |  |  | | 5 |  |
| 2. | **Intercultural Dimensions** | | | | **210** | | **+ 3 hrs, 40 min self learing** |
| Brief introduction: What is (national) culture and its relation to stereotypes | PPT presentation  Including short video + brainstorm on potential difficulties that German engeneer would encounter in China | Warm-up to the topic + setting culture in the context of previous models /institutional framework, PESTLE | PPT (Slides 3-9)  Video + sound | | 20 |  |
| Exercise: Characteristics of your own culture | Exercise/ Discussion | Familiarise students with the problem of stereotypes and that national culture does not always apply to all individuals of that country | PPT (Slide 10) | | 10 |  |
| Exercise: Implicit decisions | Online-Test (Slide 10) | Make students aware how deeply embedded stereotypes are and that no one is free of them | PPT (Slides 11-12),  Online test (<https://implicit.harvard.edu/implicit/>) | | 15 | Test should be homework before class  (self study time: 1 hrs)  The debrief of this exercise is very important. Some students claim before the exercise that they are free of stereotypes (you should ask them upfront). The exercise shows that this is usually not the case. |
| Intercultural Dimensions (introduction of various concepts) | | | | | | |
| Kluckhohn & Strodbeck | PPT Presentation | Introduction of the most fundamental cultural models | PPT (Slides 13-10) | | 20 |  |
| Small exercise to Kluckhohn & Strodbeck | Short discussion exercise (Think-Pair-Share?) | Reflection | Slide 20 | | 10 |  |
| Hall | PPT presentation, short discussion exercise | Introduction of the most fundamental cultural models | PPT (Slides 21-28), video for territoriality (links in PPT) | | 25 |  |
| Hofstede | PPT Presentation | Introduction of the most fundamental cultural models | PPT (Slides 29-35) | | 15 | Note: We assumes that students already know Hofstede. Hence, there is no depiction of all dimensions in detail, but rather a discussion on the clusters. |
| Exercise on Hofstede | PPT, discussion | Reflection | Slides 35-37 | | 10 |  |
| Trompenaars | PPT + self reflection exercises | Introduction of the most fundamental cultural models | PPT (Slides 38-46) | | 30 |  |
| Discussion on Trompenaars | Video discussion | Reflection | Slide 47 Video TED speech (https://www.youtube.com/watch?v=hmyfjKjcbm0) | | 40 | Can also be in class, but is a good pre-homework |
| Globe | Discussion and student presentation) | Introduction of the most fundamental cultural models  Familiarise students with academic publications  Develop presentation skills | PPT (Slides 48-49) | | 30 | Reading at home beforehand:  House, R., et al. (2002). Understanding cultures and implicit leadership theories across the globe: an introduction to project GLOBE. *Journal of World Business 37, 1,* pp. 3-10 (Available at ResearchGate). (2 hrs selfstudy) |
| Comparing the models | PPT | Summarising the models | PPT (Slides 50-52) | | 15 |  |
| Final discussion on Cultural taxonomies | Discussion | Reflection | Slide 53 | | 10 |  |
| 3 | **Intercultural Competence** | | | | | **170** | |
| Introduction to intercultural identity and competence model | PPT | Introduction to the fundamental ideas | Slides 54-58 | | 10 |  |
| Reflection/discussion/exercise on Bennetts model of intercultural competence | PPT, discussion/exercise | Refelection on own intercultural competence | Slides 59-63  Pinboards, sticky notes | | 65 |  |
| Heelotia game | Simulation  You can purchase the rules here:  <https://spicestore.stanford.edu/products/heelotia-a-cross-cultural-simulation> | Experience of intercultural challenges | 2 separate rooms | | 90 | We use a slightly adapted version. Contact us for details. |
| Summary |  |  |  | | 5 |  |