



MASTER IN BUSINESS ADMINISTRATION

C O U R S E S Y L L A B U S

ASIAN BUSINESS SYSTEMS

Course Code:	ABS
Faculty :	Prof. Brahm Prakash (bprakash@aim.edu.ph) - Lead Faculty
Class:	MBA 2008
Sessions:	Second Trimester – 30 sessions

I. Course Objectives:

1. The course provides a broad overview of business and business groups in Asia Pacific. It focuses on value chain perspective on business development and is focused on the contemporary issues, and how these might impact the business strategy in Asia in coming years. It builds on the earlier courses especially those that provided a historical perspective on Asia.
2. Building on the recent performance, especially since the 1980s, the course views Asian businesses growing on both ends—deeper into rural Asia bringing millions of people into the fold of markets (Prahalad 2005) and farther out into the industrialized market economies. With the growing adoption of open economic policies, it is expected that the gap between these two realms would be gradually blurred. The course highlights the role of Asian business in leading and augmenting the process of globalization throughout the world. It also addresses some of developments that surfaced in the wake of the Asian financial crisis of 1997, and the emergence of WTO regime.
3. The course focuses on certain themes, countries and industries to illustrate its main message. The curriculum begins with an introduction to the concept of value chain, and its application. It then focuses on selected facets of business in Asia viz., products and product cycle, R&D and technology, business finances and business organizations. The course draws upon selected cases and especially focuses on industries that have played an important role in the growth of Asian businesses, e.g., automotive, electronic, garments and software. Likewise, it focuses on industrialization models of certain countries, viz., Japan's business leadership in Asia, the rise of People's Republic of China as the manufacturing powerhouse of the world, and the case of India as the global processor of information and know-how. It reviews the contribution of Hong Kong (China) and Singapore in catalyzing business development in Asia. It describes Asia's interface with the process of globalization and spells out its future role. It also identifies future challenges of Asia in the form of infrastructure, energy and environment.

II. Method

4. The course is designed to be conducted as a mix of lecture and case method approach spread across 30 sessions. Power-point presentations will be the main the medium and handouts along with the

reading list will be provided for each session. Many sessions are undertaken by especially invited faculty or outside practitioners.

III. Contents

5. A list containing sessions (tentative), dates, days and topics is attached (Appendix 1). Broad groupings are briefly discussed below.

A. Introduction (3 Sessions)

6. Sessions 1-3 provide an overview of the whole course and links it with other AIM courses. It also informs about the changes and revisions that have been made over the previous year. It seeks participants' suggestions with regard to the choice of topics, or cases to weave in their interest and avoid overlapping. It also discusses the evaluation and weightage of different assignments. In this sense, it defines mutual expectations and establishes a learning contract.

7. This section then goes on to introduce the main hypotheses underlying the course, i.e., using value chain analysis to analyse Asian business situation. It introduces the concept of value chain analysis, reviews the literature and illustrates its empirical applications (Normann and Ramirez, 1993).

B. Selected facets of Asian business value chain (4 sessions)

8. Recognizing that value chain analysis can be applied in multiple ways, this session delimits the scope of the course to the four selected facets of Asian businesses viz., products, organization, technology, and finances (POTFIN). It briefly describes substantive aspects of value chain analysis of each of these themes in analytical manner, in one session each, along the following lines.

1. **Products, and product development** Product type, product development, product-cycle, value chains and matured products.
2. **Technology** R&D, technology policies, access to technology, licensing regimes, IPRs, and the role of public policy and state.
3. **Financing the Asian business** Financial formats, public policy and banking intermediation in Asia; FDIs An overview of FDI in Asia; FDI in China; FDI in China from within the region.
4. **Business organizations** Building on transaction cost analysis as the basis for emergence of organizations—an analysis of hierarchical structure and variety within markets. Organizational types—from the single entity units to the MNC level; specific Asian groupings: chaebols, kereitzus and managing agency systems.

C. Distinctive models of Asian business—Countries and cases (10 sessions)

9. The main focus of the course is on the following:

1. Japanese model of industrialization
2. Adaptation of the Japanese model in Korea and Taiwan (China)
3. Rise of manufacturing in China
4. Software industries in India
5. Gateways of business—Hong Kong and Singapore

10. The above country cases are illustrated with the help of case studies including: Kikkoman, Sony, Toyota, Samsung, WIPRO, Li and Fung and Singtel, among others.

D. Interface with Globalization (4 sessions)

11. Professor Yoshihiro Iwasaki joins the course and delivers four sessions on globalization and what does it mean for Asian business. The details will be provided separately by Professor Iwasaki.

E. Towards a long-term perspective (5 sessions)

12. In this section, the course focuses on forthcoming long-term issues that are likely to impinge on Asian businesses. First set of issues relates to WTO related issues in particular TRIPs, TRIMs, GATS etc. and the second set of issue focuses on infrastructure, energy and environment and how it is likely to impact on Asian businesses.

13. In summing up the issues, and identifying the directions in which the business in Asia should be developing, the course looks at the role of the market led regional cooperation in Asia.

F. Evaluation (To be discussed with the class)

Short assignments/case reviews	20%
Classroom participation	20%
Long assignment/detailed case review	60%

References

Normann, Richard and Rafael Ramirez 1993 "From Value Chain to Value Constellations: Designing Interactive Strategy" in Harvard Business Review on *Managing the Value Chain*, Harvard Business School Press, 2000

Prahlad, C.K. 2005 *The Fortune at the Bottom of the Pyramid—Eradicating Poverty Through Profits*, Wharton School Publishing, Indian Edition in 2006 by Dorling Kindersley.

Asian Business Systems 2007 Sessions, dates, days and topics (As of Oct 7, 2007)

(Faculty: Brahm PRAKASH, Yoshihiro IWASAKI, Patricia L. LONTOC,
Bruce MURRAY, & Amihan April ALCAZAR)

Session	Date	Day	Topic
1	08 Oct	M	Introduction to the course—An overview Lecture/Discussion: Course Introduction PowerPoint Presentation: ABS Introduction Readings: 1. Sources of Competitive Advantage (source: The Competitive Advantage of Nations by Michael Porter) 2. Managing in an Age of Modularity (source: HBR on Managing the Value Chain, HBS press) 3. From Value Chain to Value Constellation (source: HBR on Managing the Value Chain, HBS press)

- 2 **09 Oct** **T** **Value-addition—concept and applications**
 PowerPoint Presentation: Value Chain Analysis
 Readings: 1. Sources of Competitive Advantage (source: The Competitive Advantage of Nations by Michael Porter)
 2. Managing in an Age of Modularity (source: HBR on Managing the Value Chain, HBS press)
 3. From Value Chain to Value Constellation (source: HBR on Managing the Value Chain, HBS press)
- 3 **10 Oct** **W** **Value-addition—concept and applications - 2**
 PowerPoint Presentation: Value Chain Analysis
 Readings: 1. Sources of Competitive Advantage (source: The Competitive Advantage of Nations by Michael Porter)
 2. Managing in an Age of Modularity (source: HBR on Managing the Value Chain, HBS press)
 4. From Value Chain to Value Constellation (source: HBR on Managing the Value Chain, HBS press)
- 4 **15 Oct** **M** **Product and product development**
 Powerpoint Presentation: Product Development and Value Chain
 Readings : 1. Value Adding Patterns in Product Deployment Across Life Stages (sent thru email)
 2. New Product Development (source: Business Fundamentals, HBS)
 3. The Logic of Product-Line Extensions (source: HBR Nov-Dec 1994)
 4. Perspectives on Brand Equity (source: Darden Business Publishing)
 5. The Brand Relationship Spectrum: The Key to the Brand Architecture Challenge)
 6. How Global Brands Compete (source: HBR Sept 2004)
 7. Brands Versus Private Labels: Fighting to Win (source: HBR Jan – Feb 1996)
- 5 **16 Oct** : **T** **R&D and Technology in Asian business**
 Reading : Economics and Organization by Oliver E. Williamson
- 6 **17 Oct** **W** **R&D and Technology in Asian business**
 Powerpoint Presentation: R&D, Innovation and Technology In Value Chain
 Readings : 1. The Size and Scope of Markets for Technology
 2. Chapter 1: Introduction on the Engine of Free- Market Growth
- 7-9 **22 - 24 Oct** **M, T, W** **Financing business in Asia**

PowerPoint Presentation: Business Organizations

- Readings :
1. Clusters and the New Economics of Competition (source: HBR Nov – Dec 1998)
 2. Unbundling the Corporation (source: HBR Mar – Apr 1999)
 3. National Firm Leaders (source: The Rise of the Rest – Challenges to the West from Later Industrialization, Economics)
 4. Industrialization Strategies and Long-Term Resource Allocation (source: Den Strategies for the 21st Century)

10 **29 Oct T** **Case studies: Japan:**
Case studies: Japan: Sony by Nobuyuki Idei, Chairman & CEO, Sony Corporation (source: Global Future: The Next Challenge for Asian Business by Meyer, Mar, Richter, Williamson, John Wiley & Sons (Asia) Pte Ltd

11 **30 Oct** **W** **Case studies: Japan**
Case studies: Japan: Kikoman by Yuzaburo Mogi, President & CEO, Kikkoman Corp. (source: Global Future: The Next Challenge for Asian Business by Meyer, Mar, Richter, Williamson, John Wiley & Sons (Asia) Pte Ltd

12 **31 Oct** **W** **Case studies: Hong Kong**
Case Studies: Hong Kong: Li and Fung by Victor Fung, Chairman, Li & Fung (source: Global Future: The Next Challenge for Asian Business by Meyer, Mar, Richter, Williamson, John Wiley & Sons (Asia) Pte Ltd

13 – 16 **05 – 12 Nov** **M, T, W, M** **On globalization and Asia -1 (YI)**
1. *Goldman Sachs. 2003. *Dreaming with BRIC: The Path to 2050*
2. *Rena, Prodimna B. 1998. Surges and Volatility of Private Capital Flows to Asian Developing Countries: Implications For Multilateral Development Banks, *ADB Occasional Papers*, Manila: December 1998
3. *UNDP. 1999. Human Development Report 1999: Globalization and Human Development, Oxford University. Press
4. Agénor, Pierre- Richard and Peter J. Montiel. 1999. Capital Inflows: Macroeconomic Effects and Policy Responses. Chapter 15, Speculative attacks and Exchange-Rate Crises, Chapter 16, *Development Macroeconomics*. Princeton University Press
5. ADB. 2003. "Crisis – 5 Countries – Six Years After," Regional Economic Monitoring Unit, ADB. Manila: February 2003. <http://aric.adb.org>
6. *IMF. 1999. IMF – Supported Programs in Indonesia, Korea, and Thailand: A Preliminary Assessment, by Timothy Lane et al. *IMF Occasional Paper* 178, Washington, DC
7. Asian Development Bank Institute (ADBI). 2003. Post-Crisis Development Paradigms in Asia, ADBI. Tokyo, March.

8. *The Group of Seven Nations (G7). 1999. "Strengthening the International Financial Architecture," Report of G7 Ministers to the Köln Economic Summit, 18-20 June. <http://www.mof.go.jp/>
9. Goldstein, Morris. 2001. Strengthening the International Financial Architecture: Where Do We Stand? In Yoon Hyung Kim and Yunjong Wang ed., *Regional Financial Arrangements in East Asia*, Korea Institute for International Economic Policy, 15 August
10. *Dhungana, Bhavani P. 2001. Economic Integration and Industrial Production Networking: Asia's Prospects and Challenges in 21st Century. The Paper prepared for Workshop on the Emerging Economic Map of Asia: Regional Production Restructuring, Asian Integration and Sustainable Development, Bangkok: 1-2 August 2001
11. *What's Next as ASEAN+3 Integrates, *The Japan Times Online*, May 12, 2004
12. *Kawai, Masahiro. 2004. "Trade and Investment Integration and Cooperation in East Asia: Empirical Evidence and Issues", a paper prepared for the High Level Conference on Asia's Economic Cooperation and Integration in Manila, 1-2 July.
13. *Iwasaki, Yoshihiro, and Brahm Prakash. 2002. "Asian Economic Cooperation – a *Review Journal of Asian Economies* 173 (2002) 1-17, North Holland
14. *Montiel, Peter J. 2004. An Overview of Monetary and Financial Integration In East Asia. In *Monetary and Financial Integration in East Asia: The Way Ahead*, vol. I edited by ADB, Palgrave Macmillan: 2004
15. Bowering, Philip. 2004. "America's Dangerous Deficit: Asia Should be Worrying About its Dollar Reserves," *Herald Tribune*, 25 February
16. *Iwasaki, Yoshihiro "Growth and Stability in Asia: Regional Cooperation and Integration-Linking and Developing Subregions", Issues Paper for the Third Meeting of Asian Wisemen Group, 21-23 September 2007, Manila, Philippines

17

13 Nov T

18 – 19

17 Nov S

Case: The Privatization of Anatolia National Telekom
Reading : Note on Valuation of Privatizing Enterprises in Emerging Markets

20 – 21

9 Nov M

Activity : Debriefing: The Privatization of Anatolia National Telekom
Case : Philippine Interactive Media Industry (A): A roundtable on Creative Destruction and Reconstruction of Creativity

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22 Nov T Challenges for Asian business— Infrastructure
Powerpoint: China's Booming Trade: Is the locomotive for regional integration sustainable?

23	23	Nov	W	Challenges for Asian business—Energy Powerpoint: Logistics and Road Transport in China
24 – 25	(26 – 27	Nov	M T)	Case Study: Japan: Automotive Industry Cases : <ol style="list-style-type: none"> 1. Toyota: Service Chain Management 2. Toyota Motor Corporation: Target Costing System Readings: <ol style="list-style-type: none"> 1. Note on the Japanese Automotive Industry 2. Trends in the Worldwide Automotive Industry 3. Enabling conditions: Asia’s development and the emergence of CPNs 4. International production networks and globalization: a conceptual framework 5. Reference Modeling
26	28	Nov	W	Case: Industrial Clusters in the Tianjin Area (source: Industrial Clusters in Asia, edited by Akifumi Kuchiki and Masatsugu Tsuji) Readings: <ol style="list-style-type: none"> 1. A Flowchart Approach 2. Chinese Automotive and Parts Industries
27	05 Dec		W	India Case studies: WIPRO/INFOSYS
28	10 Dec		M	Unassigned
29	11 Dec		T	Unassigned
30	12 Dec		W	Unassigned

Candidate topics under consideration:

Social capital
Corporate knowledge management
Country case study: The Philippines