

INTERNATIONAL ENTREPRENEURSHIP MASTER COURSE OUTLINE¹**Learning Objectives:**

- ◆ Identify the various aspects and importance of international entrepreneurship and how it differs from other areas of international business
- ◆ Identify sources of information available for entrepreneurs seeking to move internationally
- ◆ Describe opportunities available to small businesses in the global environment
- ◆ Identify the important strategic issues in international entrepreneurship
- ◆ Discuss problems and barriers to international entrepreneurship
- ◆ Identify various assistance programs available to new and emerging firms for import/export
- ◆ Prepare an international business plan for a new business venture or international expansion
- ◆ Understand the importance of area studies in international entrepreneurship
- ◆ Prepare a country/area analysis for a region
- ◆ Understand the importance of international currency exchange in international entrepreneurial ventures
- ◆ Understand the importance that cross-cultural customs and communication styles can have on the successful implementation of international entrepreneurial ventures
- ◆ Engage in at least one cross-cultural experiential exercise
- ◆ Understand the advantages and disadvantages of exporting/importing, international franchising, joint ventures, and foreign direct investment

Summary of learning objectives – students should be exposed to exporting/importing, international franchising, foreign direct investment, joint ventures, and area studies within the study of International Entrepreneurship as well as the importance of understanding cross cultural differences across and within nations. Course should include both content and hands on application to include experiential exercises and projects.

¹ Shawn M. Carraher would like to thank Charles Matthews, Dianne Welsh, and Dewey Johnson for their helpful comments concerning this Master Course Outline. This Master Course Outline was modeled after one previously used by Dr. Matthews at the University of Cincinnati that was deemed to be the best stand alone master's level course in International Entrepreneurship examined by my panel of experts (Dianne & Dewey), the Membership of the International Entrepreneurship Division and my graduate assistants involved in the collection of information. This was a group effort by the International Entrepreneurship Division of USASBE.

Popular Books & Readings

BOOKS:

Alon, I. & Welsh, D.H.B. (2001). International Franchising in Emerging Markets: China, India, and Other Asian Countries, Riverwoods, IL: CCH, Inc.

Alon, I. & Welsh, D.H.B. (2003). International Franchising in Developed Markets: Northern and Western Europe, Riverwoods, IL: CCH, Inc.

Carraher, S.M. & Ahmed, Z. (Eds) (estimated publication 2005). International Entrepreneurship.

Foley, James F. (2000). The Global Entrepreneur: Taking Your Business International. Chicago, IL: Dearborn.

Hisrich, Robert, McDougall, Patricia, and Oviatt, Benjamin (1997). Cases in International Entrepreneurship, Chicago: Irwin [an updated edition would be appreciated].

Welsh, D.H.B. & Alon, I. (2001). International Franchising in Emerging Markets: Eastern and Central Europe and Latin America, Riverwoods, IL: CCH, Inc.

Welsh, D.H.B., & Alon, I. (2002). International Franchising in Developed Markets: North America, the Pacific Rim, and Other Countries, Riverwoods, IL: CCH, Inc.

READINGS:

Antoncic, Bostjan & Hisrich, Robert D. (2000). AN INTEGRATIVE CONCEPTUAL MODEL. Journal of Euromarketing, 9 (2)

Geursen, Gus M. & Dana, Leo Paul (2001). INTERNATIONAL ENTREPRENEURSHIP: THE CONCEPT OF INTELLECTUAL INTERNATIONALISATION. Journal of Enterprising Culture, 9 (3).

McDougall, Patricia & Oviatt, Benjamin (2000) INTERNATIONAL ENTREPRENEURSHIP: THE INTERSECTION OF TWO RESEARCH PATHS. Academy of Management Journal, 43 (5).

Reynolds, Paul D., Bygrave, William, Autio, Erkko, Cox, Larry W. & Hay, Michael (2002) GLOBAL ENTREPRENEURSHIP MONITOR: 2002 EXECUTIVE REPORT

Thomas, Anisya S. (2000). A CASE FOR COMPARATIVE ENTREPRENEURSHIP: ASSESSING THE RELEVANCE OF CULTURE. Journal of International Business Studies, 31 (2) .

Zahra, Shaker & George, Gerard. (2002). INTERNATIONAL ENTREPRENEURSHIP: THE CURRENT STATUS OF THE FIELD AND FUTURE RESEARCH AGENDA. In M. Hitt, D. Ireland, D Sexton & M. Camp (Eds.) Strategic Entrepreneurship: Creating an Integrated Mindset . Oxford: Blackwell, 255-288.

Recommended Written Assignments

Assignment One: Country Profile

Prepare an in depth country and area profile for a selected country. Include information that may be important for an entrepreneur or firm interested in going global would need to know about that area of the world and country. How does it vary from one part of the country (rural) areas to another (large cities, should any exist). For example, you should include information regarding major industries, economic, political, language, cultural, religious, sociocultural, history, and geographic factors.

Assignment Two: New Business Venture/Competitor Analysis Project

One of the best ways to learn necessary elements of managing business opportunities is to actually explore them. This project allows you to do just that. After selecting a country, you will examine what the entrepreneurial opportunities are and what kinds of goods, products or services you may wish to provide within that country. Every aspect and challenge of being an international entrepreneur will be encountered and resolved.

1. Student/group research on the country itself will consist of, but not limited to, the following [a Country Profile could provide a basis for this if both are done together or some professors recommend requiring students choose a different country from their Country Profile if the Country Profile is done]:
Language, Government, Legal system, Economic structure, Culture
Religion, Geography, History, Educational system
Demographics, Physical infrastructure, Etc.
2. What type of product, service, or good would you provide in the market? Why did you choose this good? Please include the marketing research which you have used (documentation) supporting your selection of this product, service, or good.
3. Create an initial business plan as to how your business would be structured and operate. Include all of the key elements of a good business plan for a new business venture.
4. Who are the main competitors in your industry within your chosen country? How shall they likely respond to your entrance in the market? How shall you respond to their response in order to create a unique market niche for yourself?

The student-selected business (product, good, or service) should be based on market research for your country and should include the business; why you selected that business; and issues involved in the selection. A description of how the business would operate should follow based on the elements found in a good business plan. A key element of this project is the identification of your key competitors within the country and how they would likely respond to your entrance in the market. One quarter of the

project consists of the country analysis, 1/4 is the identification of the product (with justification), 1/4 is the business plan, and 1/4 is the competitor analysis.

Assignment Three: International Business Plan

Individually or in teams, prepare a detailed international business plan for a new start up or an existing venture. [This may be a follow-up to project # 2 or it may be a different business. This also works well in classes as a secondary project to the Country Profile Analysis].

International Business Plan Includes the Following:

- I. Title Page
- II. Executive Summary
- II. History/Overview of Company: Brief description of the company's operation and products, evolution to the present, general background and experience of the owner(s), years in business, and number of employees, why and whom was the organization formed? Has the mission changed since the organization was formed?
- III. Identification of the Industry and Competitors: What are the Macroeconomic factors influencing the organization?
- IV. Potential Profitability of the industry
- V. What political /legal forces are going to shape the industry?
- VI. What Social forces are going to shape the industry?
- VII. What technical forces are going to shape the industry?
- VIII. Statement of Objectives: What are the owner's business objectives. Are they quantifiable, specific, measurable, and attainable?
- IX. Strategic Gap Analysis
- X. SWOT Analysis: An examination of the firm's strengths, weaknesses, opportunities, and threats. What are the firm's distinctive competencies and competitive weaknesses? How can the organization use the competencies in order to gain a sustainable competitive advantage that can gain the organization economic rents superior to those received by the competitor?
- XI. What is the organization's marketing strategy? What product does it offer, how shall it promote the product, how shall it distribute the product, and how shall it price the product?
- XII. Organizational Overview. How shall the organization be structured? What are the Human Resource and Production strategies to be utilized?
- XIII. Financial Overview. How shall the business be financed?
- XIV. What are the future prospects for the organization?
- XV. References
- XVI. Appendices and Supporting information: Include global data, pertinent financial statements, market survey information, etc., that were used in the preparation of your business plan. All appendices should be referenced in the text of the report.

Assignment Four: Field Project

In a multi-semester International Entrepreneurship course it is recommended that students either do an Internship or do a team consulting project with an International Entrepreneurial Organization in which the team identifies the organization and potential project negotiating with both the organization and the professor.

Assignment Five: Experiential Exercises

- a. **Buying & Selling Candy** - In order to understand the importance of international currency exchange in international entrepreneurship you are going to engage in the buying and selling of various types of candies using two different currencies with varying exchange rates. The object of the game is to have your organization have the greater total value at the end. [Professor provides three types of candy bars for exercise – preferably two domestic and one international along with two types of currency – American pennies and Russian Koppacks work well. Each team or individual is allocated an allotment of money and products. Negotiations then began (an interesting twist is to have different individuals be required to speak in different languages) and 3 to 5 variations in the official exchange rate take place during the course of the exercise. It is not until the end of the exercise that the professor provides that students with the “official” value of the products. Students write brief reports identifying what the “perceived” value of the products may have been as well as how the exercise progressed].
- b. **International Joint Venture Negotiation** – Students shall participate in negotiating a joint venture in Mexico and France [exercise available from CIBER of University of Maryland].
- c. **Cross cultural interview** – In your daily activities there may be someone at work or in your personal life who is from a culture different from your own. Interview this person in order to better understand their cultural values, assumptions, and customs. When writing up the results please provide the following information – 1. provide the person's name, national background, cultural background, and the date and place of the interview. 2. Explain why you chose to interview this person. 3. Describe your experiences around the interview. What did you notice, how did you feel, etc. 4. What questions did you ask and how were they answered? 5. What did you learn about doing business with someone from that culture from your interview? What else did you learn from the interview?
- d. **BaFa BaFa** – Cross-cultural exercise [available from www.stsintl.com Simulation Training Systems and widely used in educational situations although originally designed for the U.S. Navy].

- e. Language tag – [ask students questions about international entrepreneurship in one language and require they respond in another language].

SOURCES OF INFORMATION:

American Export Register (AMR) - www.thomaspublishing.com

Published by the same company as the Thomas Register. Essentially competition to Commercial News USA, but does offer free listings in their directory. Can be a very effective mechanism for advertising to new foreign buyers. Company search plus advertising details available at the above site. Follow links to American Export Register.

Association for International Business – www.aib-world.org

Homepage for this nonprofit association dedicated to helping business people around the world share resources, knowledge, and experiences.

Commercial News USA (CNUSA) - www.cnewsusa.com

This site provides full details of the services offered by this U.S. Department of Commerce supported advertising vehicle for finding overseas buyers.

Country Commercial Guides (CCGs) – www.stat-usa.gov

These are part of the National Trade Data Bank .

Directory Of U.S. Exporters - www.pierspub.com

This database is published by the Journal of Commerce. Other products from the Journal are shown at www.joc.com. They recently added an on-line search service which is free, but limited to summary-type details.

"Doing Business In ..." - Price Waterhouse Coopers Information Guides

Price Waterhouse Coopers offers a series of guides to doing business in specific countries. Although not all countries are available, there are over 75 books available on different countries. These guides are especially strong on issues related to setting up offices or business structures in foreign countries. The easiest way to get a copy for a particular country is to contact your local Price Waterhouse Coopers office. Their website at www.pwcglobal.com offers locations throughout the world, with those in the U.S. listed at www.pwcglobal.com/us. Pricing may vary, but they are very affordable.

Dow Jones Interactive - www.djinteractive.com

Dun & Bradstreet - www.dnb.com

Extensive collection of company contacts and credit reports. Global coverage. Can be expensive, but particularly useful if selecting foreign buyers without travel. Is free at some universities.

Europages - www.europages.com

This website offers a listing of yellow pages for 30 European countries. It also has links to other yellow pages.

Exportzone - www.exportzone.com

Offers links and support for both exporters and importers. Very complete.

Guía Export - www.guiaexport.com

A good example of a private industry "export yellow pages." Useful for both finding overseas buyers and advertising to those buyers. Primary focus is Latin America.

Harmonized Tariff Schedule (HTS)

This book lists the harmonized tariff schedule codes for use when importing. It is available through the U.S. Government Printing Office. It is also available online at <http://www.customs.ustreas.gov>.

International Trade Statistics Yearbook

This annual book lists trade statistic between nations. It is published in two volumes by the United Nations, New York. OCLC ID No.: 12857462. It uses the SITC code to classify products.

Kompass International - www.kompass.com

Global database of foreign buyers searchable by product and country. Searching is sometimes free. Detailed company is available for free only for companies that are advertisers with Kompass. Impressive site. Excellent for gauging the size of a foreign market based on the number of importers/companies involved with a particular product.

Michigan State University CIBER (Center for International Business Education and Research) - www.ciber.bus.msu.edu

Excellent example of an international megasite containing numerous resources for international research. One of the single best sites for links to other international sites, including market research and locating foreign buyers.

National Trade Data Bank / STAT-USA

An excellent source for country-specific data on trade barriers. Free from many university libraries.

North American Industry Classification System (NAICS)

Details of the NAICS systems can be found at www.census.gov/naics or at www.ntis.gov/business/sic.htm.

PIERS - Port Import Export Reporting Service - www.piers.com

There will be occasions, especially if the product being research does not have a close match with its harmonized code, that the PEIRS report will be critical to a company's international research.

Schedule B Book

This book lists the export harmonized codes for use when exporting. It is available through the U.S. Government Printing Office. It is also available online at <http://www.census.gov>.

Standard Industrial Classification (SIC)

A searchable site to find the SIC code for an industry is available at www.osha.gov/oshstats/sicser.html.

STAT-USA / National Trade Data Bank - www.stat-usa.gov

This mega-database of international trade data is available through the Internet at for \$175/year. Alternatively it is offered on CDROM for approximately \$500/year. Given its relatively low cost, it is arguable the most important tool for international research.

Trade Compass - www.tradecompass.com

Good example of a for-profit international trade site. Filled with various databases and links including on-line education courses. Very useful site.

United Nations International Trade Statistics Yearbook

So far, this data is primarily available via the reference book printed annually. Many libraries routinely subscribe to this book.

U.S. Association for Small Business & Entrepreneurship – www.usasbe.org

USASBE is the premier organization in terms of entrepreneurial education. One of the divisions is in International Entrepreneurship and the web address for this is www.usasbe.org/Divisions/international_entrepreneurship_d.htm

U.S. Exports by Commodity - www.stat-usa.gov

This valuable report is included in the National Trade Data Bank. It lists exports from the U.S. categorized by harmonized code. It includes the most recent month, year-to-date, and comparisons with past years. The text gives an examples of a report in Figure 6.7 and a detailed discussion of using the report in international research. The companion database is U.S. Imports by Commodity, also included in the National Trade Data Bank.

U.S. Department of Commerce - www.doc.gov

This is the U.S. department primarily charged with international trade promotion and assistance. This site has numerous links and pages of interest to companies. An important one is the International Trade Administration at www.ita.doc.gov. It includes a number of databases for free. To find the closest office of the U.S. Department of Commerce, to the ITA website, and choose the page "Export Assistance Center Directory". It will list all the offices in the U.S.

U.S. Exporters Yellow Pages - www.docexport.com

This is the only official export yellow pages of the U.S. government. It can be helpful in finding overseas buyers.

World Factbook – www.cia.gov

This is a useful source of political and geographic information about nearly every country in the world – from the Central Intelligence Agency. It is updated yearly and available on-line.

VENTURE FINANCE RELATED WEBSITES**Coleman Foundation** www.colemanfoundation.org

Premier supporter of Applied Entrepreneurship Education in the U.S.

Edward Lowe Foundation/Small Biz Net <http://www.lowe.org/>

Sponsored by the Edward Lowe Foundation, this Web site offers features such as current small business news, seminars, current events, digital library, Edge Online, and the small biznet exchange. Includes many links to government and private sites.

Entre World. Kansas City, MO: Ewing Marion Kauffman Foundation Center For Entrepreneurial

This Web site gives advice on starting and running your business; includes service directories and useful links for small businesses.

FinanceHub <http://www.financehub.com/>

Finance Hub offers many options for seekers of venture capital and investors. Includes information on venture capital companies, law advice, banking information, and articles on how to obtain venture capital. Entrepreneurs can list their companies for free in the Finance Hub database.

Garage.com <http://www.garage.com/>

Provides assistance and advice to entrepreneurs to help them obtain seed level financing. Identifies and pre-screens high-quality investment opportunities matched to investor's identified interests.

Moneytree. PricewaterhouseCoopers

The PricewaterhouseCoopers Money Tree Survey is a quarterly study of equity investments made by the venture capital community in private companies in the United States. As such, it serves as a barometer of regional and national economic health demonstrated through entrepreneurial developments, and identifies promising industry segments.

VentureOne <http://www.v1.com/>

VentureOne was founded in 1987 to bring together promising entrepreneurs and leading members of the venture capital community.

CloudStart.com www.cloudstart.com

Cloudstart.com is seeking to become the premier site for matching entrepreneurs seeking start-up capital with individual investors. The company provides matching services to those companies seeking \$100,000 to \$5,000,000 with an emphasis on angel investment.

GRANTS MANUAL:

<http://Eweb.slu.edu/default.htm>