

International Study Trip. Destination: Japan

Winter Quarter 2019

- Day/Time: Every other Sunday, 9 to 4pm
- Location: San Ramon/Davis
- NO classes:
 - Finals Week
 - We may not need all 5 classes
- Note: Travel dates are during Spring break. Arriving Saturday and leaving the following Saturday. (I believe spring break is March 23rd through 30th)
- Costs are likely to be \$900-\$1,100 airfare + \$1,500 to \$2,500 for all activities in Japan, including shared room in 3 star hotel, all breakfasts, wifi/cell phone access, private transportation, private tour guide, various lectures/business events, all gratuities.

Course Description

Japan was completely vanquished after world war II. By 1945, it had lost many men in the war; it's cities and infrastructure were obliterated; and it suffered complete devastation in Hiroshima and Nagasaki from 2 nuclear bombs. Yet just a generation later, it had recovered and surged back to the top of global economies. By 1980s, it had miraculously risen from such utter loss to become one of the world's greatest economic powers. Today it is the 3rd largest economy in the world.

What is even more incredible about this economic success, is how Japan achieved it with unbelievably few resources. Japan has 1/3 the population of US and less than 1/10 the population of China! In land mass, Japan ranks 61st in the world! It is a small island nation with few people and no major resources. It has no oil or gas or energy resources; no minerals or other major natural resources. How have so few done so much with so little?

We will study the miracle of Japanese economy to understand what drives the phenomenal economic growth in Japan and wonder what is the future business outlook.

This is a critical timing to study Japan. In Aug 2018, European Union and Japan entered into an agreement to form the world's largest trade bloc. This is a historic event that heralds additional growth for Japan and European Union. And raises the question of how US and China will compete with this new powerful economic force.

It's also timely to study Japan as it has strengthened relations with US, at the same time as other US allies are stepping away. The other Asian giant, China, is in a spiraling tariff war with United States which threatens to stall trade between them. US has also imposed tariffs on European Union and demanded to re-open negotiations with NAFTA partners and has pulled out of the Trans Pacific Partnership with other

Asian countries. In midst of these unfriendly overtures, Japan remains a steadfast partner.

We'd be remiss to mention a visit to Japan without talking about its rich culture and beauty. It's a country of high energy with sky scrapers and neon-light night life but also a place of amazing grace with serene gardens and monastic temples. Our visit is timely as we will be there during the beautiful Cherry Blossom Festival. We're hoping to visit Tokyo, the main city with its dense fast pace, as well as Kyoto, the more traditional older city. It's a country of contrasts with ultra-fast trains but slow-changing traditions. Japan was a leader in automation and manufacturing technology but a laggard in changing traditional gender and hierarchical roles in families and businesses. It'll give the class the opportunity to sample a bit of the old and the new. And we'll appreciate a culture that is intriguingly different than United States and like nowhere else in the world.

This class is designed to help develop knowledge, skills and desire to do business in the international marketplace. Each time, we study a new part of the world that reflects some special opportunity.

The course will begin with the question of why is it imperative to study international business. We'll discuss importance of international business and theory of Comparative Advantage and the continued trend towards globalization. Then we'll ask the question, Why Japan now?

The class will build a framework to understand cultural differences and evaluate financial/economic parameters. We'll develop an appreciation of spectrum of key cultural parameters: individual independence or group conformity; hierarchical or flat societies; feeling or thinking decision-making; implicit or explicit communication styles; legal contracts or personal relationships; etc. We will discuss how these cultural tendencies shape business practices. Next we'll build an appreciation for international risk by discussing corporate governance, foreign exchange fluctuations, political/economic infrastructure, taxation policies, and sovereign credit ratings. We'll use case studies to enhance discussion of theories.

Ultimately, we want to use these tools to understand how Japan's history, culture, government, and economy will impact its future relationship with US and other key global players and what that implies for future business opportunities.

To build upon the theories, will invite speakers to bring their perspective. The students will have opportunity to apply the general concepts on international business with the knowledge of Japan to analyze a specific business opportunity.

Travel Dates: Official business dates in-Country are during Spring Break. Students are free to travel earlier and later for personal or perhaps group travel, but must be there for the class dates. If travel conflicts with any classes or finals or other GSM obligations, students will need to work with their professors to ensure they make other arrangements for other classes.

We will work with local MBA travel agency to schedule meetings with companies and government organizations in Japan. Students are encouraged to contact companies in US which are interested in conducting business in Japan or which already have operations in Japan. We can reach out to Japanese expatriates living in US to gain insights on living and working in Japan. We may identify NGOs in Japan and set up meetings to understand their perspective. Meetings with University faculty in Japan can also provide insights on economic/business outlook.

Class meetings in Japan will be during the week so students may want to take advantage of the free weekend before or after the business meetings to plan a trip to the neighboring countries or other cities in Japan.

Course Material

- Text book: Built for Global: Navigating International Business and Entering New Markets Paperback by Robert S. Pearlstein (Author) and Janet A. Gregory (Author)
- Excerpts from: How Countries Compete by Richard Vietor ; pages 23 through 38 (Japan's Economic Miracle) and pages 221 to 243 (Japan beyond the bubble)
- Professor and guest speakers' presentations
- References to current events from Wall Street Journal, Economist, Financial Times and BBC online.
- Excerpts and case studies from International Finance edition 7 by Eun and Resnick; Appendix 1A, Page 25 and 26 – Gain from Trade: The Theory of Comparative Advantage
- Harvard Business Review - Sept 2104; Contextual intelligence. By Tarun Khanna; page 11 through 19
- CIA World Fact Book online on Japan
- Student research on a company/opportunities
- Student research of travel

Recommended References on international business

- International business : The Lexus and The Olive Tree by Thomas Friedman
- Inside Coca-Cola: A CEO's Life Story of Building the World's Most Popular Brand by Neville Isdell.
- International marketing: Principles of Marketing Global Edition by Philip Kotler

Travel location:

Tokyo, Japan

We will travel to Tokyo and time-permitting do a day visit to the traditional historic city of Kyoto.

Classes in US:

We'll set up speakers in US to speak about the country and business opportunities in Japan.

I'll be sharing insights on doing business in Asia based on my experiences of working and traveling in Asia including China, India, Thailand, Vietnam, Pakistan, Indonesia, and Singapore. We'll discuss economic outlook, foreign exchange climate, political landscape, tools for research, and cultural differences. We'll explore the differences to consider in setting up international JVs or evaluating foreign direct investment opportunities. I'll provide some financial tools for investment decisions.

Class work: As this is a for-credit class, there are 2 written graded assignments: class presentation and post-trip reflections.

Students (in teams of 2 to 4) will do a 15-minute powerpoint presentation for the class on a potential business opportunity in Japan. The business opportunity can be a foreign direct investment, acquisition, joint-venture, import, or export opportunity. The presentation should provide a short summary of current competitive landscape and forecasted growth given the economic/political outlook. A short financial analysis of the opportunity should be included. The presentation should also reflect insights on cultural differences with US and implications for go-to-market strategies. The grading will be based on depth of analysis and application of concepts presented in class. The presentation should reflect an understanding of the opportunity and the differences to consider in this international setting.

Each student will turn in a written look-back on the trip and share the insights they have gained. The write-up should be 1 to 2 pages long and include their observations of cultural norms and recommendations for successful business practices. The write-up should refer to theories discussed in class and validate or correct them based on empirical observations.

In addition to the written assignment, students will be graded on participation in class in US and in meetings in Japan. Any students who miss a class can make up the participation grade for that class by doing a 5-minute presentation on some aspect of Japan (overview of currency system, government structure, important historical events, update of important current events in Japan, economic overview, major cultural themes etc.) Please contact me in advance to confirm topic and presentation date.

Students will each schedule one event for the class either in US or in Japan to allow them to provide input to the class and also begin creating their own network/contacts for Japan. I'll leverage my contacts to set up various speakers and events. I'd certainly welcome any suggestions from students.

Professionalism: We will represent UC Davis and the GSM so it is of utmost importance to have the highest level of professionalism. We are striving to build professional relationships in Japan. Your grade will be reduced and there may be other consequences for lack of professionalism. This includes joining all meetings, being on time, acting professionally at all times of day and night, and contributing to the class.

Please see the UC Davis Code of Academic Conduct for more details:

<http://sja.ucdavis.edu/files/cac.pdf>

Costs: The costs are the course-related course plus travel costs. The travel costs are paid directly by the students and are around \$1,500 to \$2,500 + airfare.

Valid passport, Visas and immunizations: Each student is responsible for obtaining a valid passport and visa. It is the student's responsibility to ensure they are current on all immunizations and acquiring ones related to the country of travel. Our travel agency will provide some guidance on the visa application process.

Grading:

- 20% business opportunity presentation (team project)
- 20% setting up one meeting or event or speaker in Japan or in US; or a short presentation on relevant topic to the class (team or individual effort)
- 20% class participation (individual verbal contribution)
- 20% trip professionalism (individual performance)
- 20% post-trip write-up on observations and insights (individual written submission)

Preliminary Agenda:

- Class 1:
 - Introductions
 - Why Japan now?
 - Trip planning and logistics
 - Guest speaker ; to be confirmed
- Class 2
 - Country overview – history, economy, business outlook
 - Trip planning and logistics
 - Guest speaker; to be confirmed
- Class 3
 - Tools for international business development – soft skills (cultural empathy)
 - Trip planning and logistics
 - Guest speaker; to be confirmed
- Class 4
 - Tools for international business development – hard tools (legal, financial, research tools)
 - Trip planning and logistics
 - Guest speaker; to be confirmed
- Class 5:
 - Student team presentations
 - Trip planning and logistics
 - Guest speaker; to be confirmed

Instructor: Suzy Taherian

Adjunct Professor of International Finance and International Business

CFO, Kinetics

Suzyktaherian@gmail.com