GIM Doing Business in Africa Syllabus
Winter 2020
January 18-19
February 15-16
April 5

Professor Grant Harris
grant.harris@kellogg.northwestern.edu
Office hours by appointment
GIM Program Purpose and Objectives

GIM Purpose:
• For students to develop a foundation of knowledge about global sectors and economies through classroom learning and in-country immersion.

GIM Objectives:
• To gain a foundational understanding of the macroeconomic trends, politics, history and culture of a country or region outside the United States.
• To experience firsthand through meetings with government officials and company representatives the economic ecosystems, business practices, market dynamics, and future opportunities and challenges of a particular country or region.
• To understand the framework of a particular business topic or issue through the lens of a specific country or region, including any challenges, opportunities, and strategies used to address it, and then apply the framework to other countries and regions throughout the world.
• To develop the skills necessary to collaborate with peers on a project that analyzes and proposes solutions to a particular problem within a sector of industry, including the skills required to set up and conduct independent business meetings abroad.

Course Description and Objectives

Course Overview

Demographic and economic shifts occurring in Africa will increasingly affect the global business landscape in the years ahead. The region has the youngest and fastest growing population in the world. By 2050, Africa will make up a quarter of the world’s population and workforce. At the same time, consumer and business spending is growing rapidly and is expected to reach $6.7 trillion by 2030.

African markets are diverse and complex; they face uneven growth prospects and can be challenging business environments. Though home to some of the world’s fastest growing economies, Africa continues to rank below other regions in the World Bank’s Ease of Doing Business Rankings. Additionally, lingering misconceptions cause many investors to overestimate the risk associated with doing business in African countries. Nonetheless, savvy foreign investors are making money—and those who are doing business on the continent are generally bullish about its prospects. Companies that take a “wait-and-see” approach may find themselves disadvantaged in the years ahead and kicking themselves for not entering African markets sooner.

Anyone who aspires to conduct international business, manage a global brand, or find high-growth investment opportunities is wise to gain an understanding of African markets. This course provides an overview of some of the opportunities and challenges with respect to doing business in the region. As part of this course, students will take an in-depth look at two countries in particular: Kenya and Rwanda. Kenya
serves as the main economic hub for East Africa and has made significant economic, political, and structural reforms since the passage of a new constitution in 2010. While its economic prospects remain strong, the country continues to confront high levels of poverty and inequality as well as episodic periods of political tension. Meanwhile, Rwanda, a country that less than three decades ago was devastated by genocide, has experienced strong development gains and economic growth in recent years. While some laud Rwanda as the “Singapore of Africa,” others express concern about political rights and governance.

This course is taught through the lens of a practitioner, and the discussion will predominantly focus on the realities and practicalities of operating in African markets. Though some examples and discussion will touch on North Africa, this course is primarily focused on sub-Saharan Africa.

**Course Objectives**

- Understand the importance and economic potential of sub-Saharan African markets.
- Understand how Africa’s historical context is impacting its current economic development.
- Learn how to evaluate strategy options and business opportunities while navigating the challenges and relative volatility of doing business in African markets.
- Understand how institutional capacity, culture, values, and other issues affect one’s ability to successfully conduct international business.
- Learn some practical ways to assess and mitigate political risk.
- Gain exposure to and experience in the business climates in select countries, especially Kenya and Rwanda.

**Attendance Policy**

Due to the fact that this class meets only a few times during the Winter Term, all class sessions are mandatory without exception. If a student misses a class session, they are in danger of failing the class and it is at the professor’s discretion as to whether it can be excused.

**Role of the In-Country Advisor**

Throughout your GIM trip, you will be accompanied by an in-country advisor, Debbie Kraus, who is a staff member at Kellogg. The in-country advisor is responsible for the integrity and quality of the in-country experience. Among other logistical roles during the trip, she will be assessing each student’s level of participation during the plenary meetings and will be assigning 15% of the students’ overall grade.

**Kellogg Honor Code**

The students of the Kellogg School of Management regard honesty and integrity as qualities essential to the practice and profession of management. The purpose of the Kellogg Honor Code is to promote these qualities so that each student can fully develop his or her individual potential. Upon admission, each
student makes an agreement with his or her fellow students to abide by the Kellogg Honor Code. Students who violate the Kellogg Honor Code violate this agreement and must accept the sanction(s) imposed by the Kellogg community.

The Kellogg Honor Code is administered by students and is based on the concept of self-government. The efficacy of such a student-administered honor code is dependent upon a high degree of dedication to the ideals of honesty, integrity and equal opportunity reflected by the code. The Kellogg Honor Code requires that each student act with integrity in all Kellogg activities and that each student hold his or her peers to the same standard. In agreeing to abide by the code, the Kellogg students also agree to report suspected violations. By not tolerating lapses in honesty and integrity, the Kellogg community affirms the importance of these values.

Accommodations

Kellogg Academic Advisors and the Student Life Office work with students with disabilities to ensure that they receive the resources and assistance that they need. These offices contact the faculty member for each class in which a student is enrolled to make sure that the student receives the required accommodations. Please contact your Academic Advisor or the Student Life Office with any questions and to discuss how accommodations can best be implemented throughout the course.

Course Materials

GIM Doing Business in Africa Course Pack

Course Schedule and Assignments

(Note: Readings, speakers and class order are tentative and subject to change)

<table>
<thead>
<tr>
<th>Webinar</th>
<th>November 19 (5:00-6:00 p.m. central)</th>
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<tbody>
<tr>
<td>Topics:</td>
<td>Class expectations &amp; travel logistics</td>
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<tr>
<td>Assignment:</td>
<td>- Review syllabus</td>
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<td>- Complete Pre-Course Survey by noon central on December 16</td>
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<thead>
<tr>
<th>Class #1</th>
<th>January 18 (1:00-6:00 p.m. central) – Global Hub</th>
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<tr>
<td>Topics:</td>
<td>Introduction to sub-Saharan Africa: a historical perspective, key trends, economic potential, political and institutional issues, and an introduction to the opportunities and challenges of doing business in the region</td>
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Key questions to consider in advance of class:
- What are the macro trends shaping the continent?
- How does Africa’s colonial history impact its development today?
- What are some of the misconceptions about sub-Saharan Africa?
- What is the “Africa rising” narrative and why is it now being questioned?

Speakers:
- TBC

Assignment:
Readings:
- Lions on the Move II: Realizing the Potential of Africa’s Economies, McKinsey Global Institute, Sept. 2016 (Executive Summary, pages 1-25)

Videos:
- Africa Post-Colonial Development, Fatoumata Waggeh at TEDxGallatin
- Why Nations Fail, James Robinson at TEDxAcademy

Assignment:
- Research Project Proposal due by noon central on January 17

Class #2 January 19 (9:00 a.m.-12:00 p.m. central) – Global Hub

Topics:
Country deep dives: Rwanda and Kenya

Key questions to consider in advance of class:
- How do politics impact the business environment in Kenya?
- What were the key drivers of Rwanda’s economic recovery following the 1994 genocide?
- Which aspects of the respective business climates in Kenya and Rwanda are most and least attractive?
<table>
<thead>
<tr>
<th>Speakers:</th>
<th>TBC</th>
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| Assignment: | **Readings:**<br>- 2019 Investment Climate Statements: Kenya, [U.S. Department of State](https://www.state.gov)
- [BTI](https://www.bti.org/) 2018 Country Report: Kenya (focus on key themes more than the detailed examples or data)<br>- Kenya Profile - Timeline, [BBC](https://www.bbc.com) (skim)<br>- 2019 Investment Climate Statements: Rwanda, [U.S. Department of State](https://www.state.gov)
| Case: | **Video:**
- HBS Case: “Rwanda: National Economic Transformation”
  - Consider this as a background reading (rather than a typical case) and come prepared to discuss your view of Rwanda’s national economic strategy |
- “Rwanda’s Economy is Booming, But at What Cost?” [PBS](https://www.pbs.org) |

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<th>Group Check-In #1</th>
<th>Schedule 30-minute check-in time between January 27-31</th>
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<tr>
<td>Topics:</td>
<td>Discuss Research Project Proposal</td>
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<td>Assignment:</td>
<td>- Background Research Review due by noon central on February 14</td>
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<th>Class #3</th>
<th>February 15 (1:00-6:00 p.m. central) – Global Hub</th>
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<tr>
<td>Topics:</td>
<td>A Deeper Look at Business Opportunities and Risks in Africa: Identifying and seizing opportunities, market size, infrastructure and information deficits, political risk, and risk mitigation strategies.</td>
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</tbody>
</table>
| Key questions to consider in advance of class: | - Which countries in sub-Saharan Africa pose the most exciting business opportunities?  
- What challenges encountered when operating in African markets do you
think present the best business opportunities?
- What impact, if any, will regional integration efforts have on opportunities to scale businesses and reach larger markets within Africa?
- What are some strategies to stay on the right side of anti-corruption laws and to mitigate other forms of political risk?

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<tr>
<th>Speakers:</th>
<th>TBC</th>
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<td>Assignment:</td>
<td>Readings:</td>
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<tr>
<td></td>
<td>- “The Road to Hell is Unpaved,” <em>The Economist</em>, Dec. 21, 2002</td>
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<td></td>
<td>- Investing in African Infrastructure: Challenges and Opportunities, <em>Mercer</em> (Summary POV, pages 2-7) [Click “Download Summary POV”]</td>
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<td>- “Cracking the Next Growth Market: Africa,” <em>HBR</em>, May 2011</td>
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<td>- “Managing 21st-Century Political Risk,” <em>HBR</em>, April 2018</td>
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Case:
- HBS Brief Case: “Ethiopia: An Emerging Market Opportunity?”
  - Focus on CareCo and ShoeCo only
  - Be ready to discuss these questions and explain your view/position:
    1. Does Ethiopia represent an attractive investment opportunity? (2)
    2. What key success factors will matter most in Ethiopia? and (3) What recommendations would you make to these companies to reduce political risk?

Assignments:
- Familiarize yourself with, and come prepared to discuss, the following three sources: (1) *World Bank Ease of Doing Business Rankings*;
  2. *Transparency International’s Corruption Perception Index*; and
- Individual Assignment #1: Country Assignment due by February 12 at midnight central. Be prepared to discuss and defend your view in class.

Class #4  | February 16 (9:00 a.m.-12:00 p.m. central) – Global Hub
Topics: | How geopolitics and culture affect the deal: China and other countries seeking commercial opportunities, the implications of Western investors being
underrepresented, prospects for change, and the importance of cultural sensitivity.

**Key questions to consider in advance of class:**
- Is growing Chinese investment in Africa a positive or negative phenomenon?
- How will China’s growing investment in African markets affect opportunities and risks for non-Chinese firms?
- How are other countries (Russia, Gulf States, European countries, etc.) engaging with Africa?
- How do culture and values affect relationships, negotiation, and deal making?

**Speakers:**
Debbie Kraus, Kellogg Director of Global Study Programs & GIM Advisor & TBC

**Assignment:**

<table>
<thead>
<tr>
<th>Readings:</th>
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<tbody>
<tr>
<td>“China’s Massive Belt and Road Initiative,” <a href="https://www.council.onforeignrelations.com">Council on Foreign Relations</a>, May 2019</td>
</tr>
<tr>
<td>“In Africa, It’s Not Just China Eating America’s Lunch,” <a href="https://www.wilsoncenter.org">Wilson Center</a>, April 2018</td>
</tr>
<tr>
<td>“Why Africa Loves China,” <a href="https://www.aljazeera.com">Al Jazeera</a>, January 2019</td>
</tr>
<tr>
<td>“The World’s Next Great Manufacturing Center: How Chinese Investment is Reshaping Africa,” <a href="https://hbr.org">HBR</a>, May-June 2017</td>
</tr>
<tr>
<td>Africa: Year in Review 2018, <a href="https://www.wilsoncenter.org">Wilson Center</a> (pages 12-14 on China, Russia, and Turkey)</td>
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**Assignment:**
- Complete Cultural Orientations Indicator survey by midnight central on February 9 then review your results and bring a printed copy to class

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<tr>
<th>Group Check-In #2</th>
<th>Schedule 10-minute check-in time between February 24-28</th>
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<tr>
<td><strong>Topics:</strong></td>
<td>Discuss Background Research Review</td>
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<tr>
<td><strong>Assignment:</strong></td>
<td>- In-Country Research Plan due by noon central on March 6</td>
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**In-Country Field Research - March 18th - March 26th**
Final Class | April 5 (9:00 a.m.-12:00 p.m. central)
---|---
**Topics:** | Debrief of in-country experience; IPG presentations

**Assignments:**
- Come prepared to discuss this question: Is Africa “rising?”
- Individual Assignment #2: Reflection Paper due by midnight central on April 4
- Presentation Annotated Deck, Peer Evaluation, and IPG Database Google Sheet due at midnight central on April 8

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**In-Country Academics**

Students are reminded that GIM is first and foremost an academic program. Note that 15% of your overall grade will be based on your participation in the plenary meetings and engagement in other activities as assessed by the in-country advisor. In order to achieve a high grade, students are expected to not only attend all plenary meetings, but to be actively engaged during the meetings and other learning opportunities in country.

**Assessment**

<table>
<thead>
<tr>
<th>GIM Research Project</th>
<th>45%</th>
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<tbody>
<tr>
<td>Background Research</td>
<td>5%</td>
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<tr>
<td>In-Country Research Plan</td>
<td>5%</td>
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<tr>
<td>In-Class Presentation</td>
<td>15%</td>
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<tr>
<td>Presentation Annotated Deck (inc. IPG Database Google Sheet)</td>
<td>10%</td>
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<tr>
<td>Peer Evaluation</td>
<td>10%</td>
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<tr>
<th>Individual Assignments</th>
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<tr>
<td>Assignment #1: Country Assignment</td>
<td>10%</td>
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<td>Assignment #2: Reflection Paper</td>
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<tr>
<th>Participation</th>
<th>30%</th>
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<tr>
<td>In-Class Participation (attendance, discussion, engagement)</td>
<td>15%</td>
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<tr>
<td>In-Country Participation (plenary meeting participation, student role, overall participation; determined by GIM advisor)</td>
<td>15%</td>
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Readings and Class Discussion Questions

Students are expected to carefully review the relevant material and consider the related discussion questions in advance of each class discussion. Questions for preparation do not necessarily match one-to-one with the readings or material assigned in advance of each class; instead, students should consider the readings as a jumping off point in thinking about these questions. Students should come to class prepared to talk about these issues and be ready to discuss their ideas, reactions, assumptions, and questions related to each topic.

Individual Assignment #1: Country Assignment

Each student will be assigned a country in sub-Saharan Africa (other than Kenya and Rwanda) and asked to write a short and well-reasoned paper about that country’s prospects for economic growth over the next 5-10 years. Imagine being asked by an investor or company that is new to Africa, “Are you excited about this country’s prospects and why or why not?” Consider the opportunities and risks, macroeconomic outlook, key sectors, regional and political factors and/or anything you deem most relevant and make the case for whether or not you see strong economic growth prospects. If your view is dependent on a specific economic sector or other conditions, explain as needed.

Papers should be a maximum of 2-3 pages in Times New Roman font, 12 pt., and double-spaced with standard margins. No collaboration with other students is allowed in preparing this assignment.

High-quality papers will be thoughtful and persuasive. They will include original thought, use examples and citations where needed, and incorporate concepts from class where useful. The writing should be clear and well-organized.

Individual Assignment #2: Reflection Paper

Each student will turn in a 3-5 page personal reflection paper after the trip. Strong papers will:

- Synthesize class and in-country learning;
- Be engaging, original, insightful and, as the name of the assignment implies, reflective;
- Apply your insights and what you have learned in this class to your professional and personal interests going forward; and
- Be well-written.

The assignment should be in Word, Times New Roman font, 12 pt., and double-spaced with standard margins.
GIM Research Project

The core of the GIM class is an independent research project. Groups of 4 to 6 students will select an international business, economic or management issue on which to study in depth and present. The students begin secondary research at the start of the course, incorporating perspectives from the class readings and speakers. They will also spend considerable time in-country speaking with resident experts, gathering local data, and testing their hypotheses and recommendations in the field. In general, the project should be based on original research that contributes to an intellectual body of work but also strives to have practical applications for the market.

(Students must schedule five to seven IPG meetings throughout their trip with at least one meeting in every city that class visits on a business day. Students are not obligated to schedule meetings in cities that the class visits only for the weekend.)

Research Topics
Before the term begins, the faculty will send out a Google form with a list of broad topics or industries wherein students can then rank their preferences. The faculty will then assign students to groups based on topic interest which the students will then refine throughout the term with the help and advice of their faculty member. Good GIM projects are generally built around interesting, clear, and relatively narrow research topics. Some titles from successful projects from recent years have included “How Uniqlo’s Brand Positioning and Marketing Strategy Allow the Company to Thrive in China’s Fast Fashion Market” and “Expanding Wine Sales to Middle-Class Brazilians: A Proposal to Concha Y Toro.” Weak GIM projects often have excessively broad or unfocused topics such as “An Overview of the Brazilian Beverage Industry.”

Project Report Structure
Final reports should be in the form of a PowerPoint or PDF presentation. Total length should be approximately 10-15 slides, excluding introductory slides, exhibits, or appendices. Groups may choose from the report formats below:

- A simulated boardroom pitch for a company looking to enter the market in one of the countries that we visit.
- A simulated boardroom pitch to a company looking to market a foreign product of your choice in one of the countries that we visit.
- A simulated presentation to the board of a report recommending specific strategic, operational and organizational actions to solve a clearly defined business issue for a company entering or operating in one of the countries that we visit (e.g., strategies for overcoming cold-chain logistics and distribution challenges in Kenya).

Project Deliverables
- Research Project Proposal – Each project group will submit a 2-page description of their proposed research topic, including:
A description of the specific and narrowly-focused research question(s) to be addressed
- Description of the topic’s importance, timeliness, economic, or social significance
- Identification of possible in-country visits with companies, governmental agencies, NGOs, etc.

- **Background Research Review** – Each project team will submit a review examining secondary information relevant to its research topic.

- **In-Country Plan** – This is a detailed matrix of five or more investigative research meetings arranged in country. The best plans will include day/time/location of meeting; name/description of organization; name/title/bio of interviewee; agenda and interview guide for each meeting.

- **In-Class Presentation** – During the final class, each project group will make a presentation in class summarizing their research findings. The purpose of this deliverable is to allow faculty members and students to learn about and provide feedback on the project groups’ final findings. Presentations will be evaluated by peers based on a series of specific factors, and this peer assessment will be taken into account for grading purposes.

- **Presentation Annotated Deck** – In addition to the in-class presentation deck, each team must submit an annotated version of the deck providing sources, additional context, backup information, and any other information used to support the team’s findings.

- **Peer Evaluation** – Each member within the project group will assess every other member’s contributions to the project, including their own, with a confidential peer review form that takes into account each member’s intellectual contribution, initiative and organization, workload contribution and overall contribution.

- **IPG Database Google Sheet** – Maintained by the Global Programs’ Office, the IPG Database Google Sheet serves as a repository for IPG contact information shared amongst multiple years of GIM students. About a week before final reports are due, the GPO will be sending out a link to the sheet for each IPG group to fill out with information about their contacts. Please note that the requirement for filling out the Google Sheet is due at the same time as the Annotated Deck.