

## **GIM Frontier Markets: Cambodia and Vietnam Syllabus**

Winter 2020

**1/11/20, 2/1/20, 2/15/20**

**9:00 AM-12:00 PM and 1:00 PM-4:00 PM**

Professor Daniel Keeler

daniel.keeler1@kellogg.northwestern.edu; dan.keeler@wsj.com

Phone: **[917 478 9011]**

## **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**

Frontier markets—countries such as Nigeria, Ecuador, Vietnam, Cambodia and Romania, whose financial markets are considered insufficiently transparent or liquid to qualify as emerging economies—are home to almost a third of the world’s population. Of the 10 fastest growing economies worldwide, eight are frontier markets, according to HSBC. Half of the countries that global advertising agency, Ogilvy & Mather, determined would be key to middle-class consumer growth over the next decade are frontier markets.

For multinational companies and for portfolio investors, frontier markets represent an unrivaled opportunity to tap into a rare growth story that combines a swelling population, rising incomes, rapidly increasing connectivity, innovative business communities, and surging economic growth. For aspiring business leaders, frontier markets offer access to a growth story that will not only be professionally fulfilling and diverse, but can also have tremendous human, environmental and social impact.

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Relatively few are grasping this opportunity, though, deterred by a lack of reliable information and data from the frontiers and a perception that risk is higher than in more-developed markets. This course will guide students through the fog, providing them with a clear understanding of the opportunities and challenges in frontier markets, and a vision for how they can play a part in the development of some of the world's most exciting economies, businesses, peoples, and ideas.

## **Attendance Policy**

Due to the nature of the GIM program, attendance for all GIM classes is mandatory, as is participation in the 10-day field trip. Attendance on the first day of class is also mandatory. If a student misses more than one class throughout the term, one letter grade will be deducted from his or her final grade. Exceptions may be made by the faculty member in cases of extreme circumstances.

## **Role of the In-Country Advisor**

Throughout your GIM trip, you will be accompanied by an in-country advisor, Matthew Temple, 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, he 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.

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## Course Materials

Students must sign up for the WSJ's weekly frontier- and emerging-markets newsletter via link at <a href="http://on.wsj.com/frontiers-newsletter">http://on.wsj.com/frontiers-newsletter</a>	

## Course Schedule and Assignments

Week 1/morning	1/11/20
<i>Topics:</i>	Welcome to the frontier: An introduction to the class, why frontier markets matter, and why everyone who isn't here will be kicking themselves a decade from now. Student and lecturer introductions.
<i>Speaker:</i>	Rich Thies, co-portfolio manager at Driehaus' Frontier Markets Fund
<i>Assignments:</i>	

Week 1/afternoon	
<i>Topics:</i>	Two sides of the frontier markets coin: Introducing Vietnam and Cambodia. They're neighbors and they have similar histories in many respects, and yet Vietnam and Cambodia are at opposite ends of the scale in terms of market development. We study the two countries' history and their economic and political structures, and learn about the investment environment in each. We also look at how the two countries fit into the frontier investing universe and work with our guest speaker to devise a portfolio that includes investments in both countries.
<i>Speaker:</i>	Gavin Serkin, author, "Frontier: Exploring the Top Ten Emerging Markets of Tomorrow"
<i>Assignments:</i>	READ: Insead case study: Vietnam—a concise profile READ: Stanford Business School: Leopard Capital: Private Equity in

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	Cambodia
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<b>Week 2/morning</b>	<b>2/1/20</b>
<i>Topics:</i>	Multinationals in the frontiers. An exploration of the different ways in which multinationals approach or enter frontier markets, and why they choose to do so.
<i>Speaker:</i>	Mike Moriarty, Partner, AT Kearney
<i>Assignments:</i>	<b>Case study:</b> Insead case, “Unilever in Vietnam: The Perfect Village initiative.”
<i>Additional:</i>	Project Proposals due

<b>Week 2/afternoon</b>	
<i>Topics:</i>	China’s role in the frontier markets China is playing an increasingly important role in almost all frontier markets, but the countries are responding in very different ways. We look at the spread of China’s influence and assets, dissect its strategy and look at the opportunities it presents for all investors. We’ll also explore the impact “One Belt One Road” (OBOR) will have on Cambodia and Vietnam.
<i>Speaker:</i>	Paul Domjan, head of research, Exotix
<i>Assignments:</i>	

<b>Week 3/morning</b>	<b>2/15/20</b>
<i>Topics:</i>	Impact investing in frontier markets: Two great tastes that taste great together! Cultural sensitivity, ethics and governance in frontier markets: The importance of understanding the local culture—to avoid pitfalls and find new opportunities.
<i>Speaker:</i>	Lauren Cochran, Blue Haven Initiative
<i>Assignments:</i>	Case study: Blue Haven Initiative: The PEG Africa Investment  And: Assignment from this class (to be completed by 2/14/20): Identify two key events in Vietnam and Cambodia that could have shaped the country’s culture and the behavior and sensitivities of the people. Explain how we should be sensitive about those events.
<i>Additional:</i>	Background Research Review due

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Week 3/afternoon	1pm to 3pm
<i>Topics:</i>	Blockchain and cryptocurrencies in the frontiers. We'll engage in a lively workshop session on how blockchain and cryptocurrencies could be deployed in the frontiers, what impact they'll have, and how people living in frontiers can benefit. Students will devise a strategy for deploying blockchain in a frontier market and work in teams to build a business rationale for deploying this new technology. And: Preparing to visit Vietnam and Cambodia: Presentations on company visits planned, an in-depth recap of economic, political and business environment of both countries, and on-the-ground experience from a leading frontier fund manager.
<i>Speaker:</i>	Rus Newton, Global Advisors Steve Mack, Managing Director, Frontaura Capital Management
<i>Assignments:</i>	

March 6	
<i>Assignment:</i>	In-Country Research Plan Feedback will be emailed

## In-Country Field Research - March 18<sup>th</sup>– March 26<sup>th</sup>

Week 9	[tentative date 4/11/19 9:30-12:30]
<i>Topics:</i>	Debrief of In-Country Experience; IPG presentations
<i>Speaker:</i>	
<i>Assignments:</i>	Final project presentations; written report, peer evaluations, and IPG database google sheet information due at 9 AM

### In-Country Academics

Students are reminded that GIM is first and foremost an academic program. 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.

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## Assessment

<b>Research Project</b>	<b>55%</b>
Background Research	5%
In-Country Research Plan	5%
In-Class Presentation	15%
Written Report	10%
Peer Evaluation	17%
IPG Database Google Sheet	3%
<b>Participation</b>	<b>45%</b>
In-Class Participation (attendance, discussion, engagement)	15%
In-class assignments	15%
In-Country Participation (plenary meeting participation, student role, overall participation; determined by GIM advisor)	15%

## 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 sheet 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.”

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## *Project Report Structure*

Final reports should be no more than 10 pages in length, excluding exhibits. Groups may choose from the following report formats:

- **Traditional analytical research paper** – A research question is described; competing answers to the question are discussed; evidence collected on the trip is used to argue for or against the alternative answers.
- **Industry analysis** – A particular industry is surveyed in order to examine a narrowly focused, well-defined topic pertaining to the competitive dynamics of the industry. An example would be an analysis of a market entry opportunity presented to a foreign multinational.
- **Business recommendation report** – A consulting report recommending specific strategic, operational and organizational actions to solving a clearly defined business issue (e.g.: strategies for overcoming cold-chain logistics and distribution challenges in India.).
- **Business or industry case study** – A case for eventual classroom use developed with a clear underlying business question in mind. Teams pursuing this option are encouraged to work with Case Publishing before and after the trip to ensure a high quality product that may eventually be used in the classroom.

## *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. This review may serve as a first draft of the background section of the final project report.
- **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;



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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. Each team will have 10 minutes to present and a few minutes for audience questions and suggestions.
- **Written Report** – The final report, up to 10 pages long before exhibits and appendices, prepared according to one of the formats discussed above.
- **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 written report.