

## **GIM Frontier Markets Syllabus**

Winter 2018

**Four Saturdays, 9.00 AM-12.00 PM**

**and 1.00 PM-4.00 PM**

Professor Dan Keeler  
daniel.keeler1@kellogg.northwestern.edu  
Phone: +1 917 478 9011

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Office hours: Global Hub, Room 3156, [TBD]

## **GIM Program Objectives**

The GIM Program enables Kellogg students to:

- Gain an understanding of the economic, political, social, and culture characteristics of a country or region outside the United States.
- Learn about key business trends, industries, and sectors in a country or region outside the United States.
- Conduct international business research on a topic of interest.
- Further develop teamwork and leadership skills.

## **Course Description and Objectives**

Frontier markets—countries such as Nigeria, Argentina, Vietnam and Cambodia, 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, the frontiers offer a chance to be involved in a growth story that will not only be professionally fulfilling and diverse, but can also have tremendous human, environmental and social impact.

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.

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## Attendance Policy

Due to the relatively few times that we will be meeting during the Winter Term, it is highly advisable that students attend all four classes. If a student needs to miss one class, the absence must be pre-approved by the instructor and the student should plan to receive the content that they missed from another student. If a student misses two or more classes, their grade will automatically be lowered two grades. Participation in the 10-day field trip and attendance on the first day of class is mandatory.

## Role of the In-Country Advisor

Throughout your GIM trip, you will be accompanied by an in-country advisor, Matthew Temple, Director of Alumni Career and Professional Services. The in-country advisor is responsible for the integrity and quality of the in-country experience. Among other logistical roles during the trip, he or 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.

## Course Materials

<b>Students must sign up for WSJ Frontiers weekly frontier markets newsletter via link at <a href="http://on.wsj.com/frontiers-newsletter">http://on.wsj.com/frontiers-newsletter</a></b>
Reading: Frontier: Exploring the Top Ten Emerging Markets of Tomorrow, by Gavin Serkin
Case studies: TBA

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## Course Schedule and Assignments

Week 1/morning	1/20/18
<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>	Chad Cleaver and Rich Theis, co-portfolio managers at Driehaus
<i>Assignments:</i>	Read: The Next Frontier <a href="http://www.theedgemarkets.com/article/cover-story-next-frontier">www.theedgemarkets.com/article/cover-story-next-frontier</a> Read: "Ashmore's frontier markets commentary—The ones you don't own." (PDF will be on Canvas)

Week 1/afternoon	1/20/18
<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.
<i>Speaker:</i>	
<i>Assignments:</i>	READ: Insead case study: Vietnam—a concise profile READ: Stanford Business School: Leopard Capital: Private Equity in Cambodia

Week 2/morning	1/27/18
<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." Read Ogilvy & Mather's "Velocity 12" report at <a href="http://www.ogilvy.com/v12markets-exec-summary/">www.ogilvy.com/v12markets-exec-summary/</a> or <a href="http://www.ogilvy.com/V12markets/">http://www.ogilvy.com/V12markets/</a> .
<i>Additional:</i>	Project Proposals due

Week 2/afternoon	1/27/18
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<i>Topics:</i>	Investing and operating in frontier markets: What to look for, what to avoid, and why. What can we learn from companies' experiences in more-established emerging markets?
<i>Speaker:</i>	Gavin Serkin, author, "Frontier: Exploring the Top Ten Emerging Markets of Tomorrow"
<i>Assignments:</i>	Come to class prepared to dive into a deep strategy session on global capital deployment—what sectors, which countries, what kind of investment vehicles. We want to end this session with a portfolio, an action plan and an idea of how our investments will affect the people in the markets in which we're investing.

<b>Week 3/morning</b>	<b>2/10/18</b>
<i>Topics:</i>	Impact investing in frontier markets: Two great tastes that taste great together! Cultural sensitivity and ethics in frontier markets: The importance of understanding the local culture—to avoid pitfalls and find new opportunities.
<i>Speaker:</i>	To be confirmed
<i>Assignments:</i>	Case study: To be confirmed
<i>Additional:</i>	Background Research Review due

<b>Week 3/afternoon</b>	<b>2/10/18</b>
<i>Topics:</i>	China's role in the frontier markets China is playing an increasingly important role in almost all frontier markets. We look at the spread of China's influence and assets, dissect its strategy and look at the opportunities it presents for all investors.
<i>Speaker:</i>	Joel Backaler, Director, Frontier Strategy Group and author, China Goes West.
<i>Assignments:</i>	Read HBR article: "The world's next great manufacturing center: How Chinese investment is reshaping Africa" Gain familiarity with the Economist report, One Belt One Road, an Economic Roadmap. (Link to file in Canvas will be provided.)

<b>Week 4/morning</b>	<b>2/24/18</b>
<i>Topics:</i>	Sector focus: Healthcare in frontier markets. Investors are beginning to understand the potential in the healthcare space across multiple different geographies. From multi-billion dollar hospital

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	chains to asset-light m-health initiatives, we look at the opportunities for creative investment in the frontiers.
<i>Speaker:</i>	Saqib Rashid, Principal, Abraaj
<i>Assignments:</i>	To be confirmed
<i>Additional:</i>	In-country research plan

<b>Week 4/afternoon</b>	<b>2/24/18</b>
<i>Topics:</i>	Preparing to visit Vietnam and Cambodia: Presentations on company visits planned, an in-depth recap of economic, political and and business environment of both countries and on-the-ground experience from a leading frontier fund manager.
<i>Speaker:</i>	To be confirmed
<i>Assignments:</i>	Prepare to present on plenary and IPG meetings and on other aspects of trip to Vietnam and Cambodia.
<i>Additional:</i>	

## In-Country Field Research - March 21<sup>st</sup> – March 29<sup>th</sup>

<b>Week 9</b>	<b>[tentative date 4/11/18 9:30-12:30]</b>
<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.

### Assessment

<b>Research Project</b>	<b>70%</b>
Background Research	10%
In-Country Research Plan	10%

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In-Class Presentation	10%
Written Report	25%
Peer Evaluation	12%
IPG Database Google Sheet	3%
<b>Participation</b>	<b>30%</b>
In-Class Participation (attendance, discussion, engagement)	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 at least **five** 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

Student teams typically develop their own research projects, though they will refine their topics 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 at least fifteen 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

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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** – Before departing for the in-country portion of the class, each project team must 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; 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. It is suggested that each team be given 15 minutes to present and 5 minutes for audience questions and suggestions.



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- **Written Report** – The final report, generally 10-15 pages long before exhibits and appendices, prepared according to one of the formats discussed above. In addition to turning in their papers to their professors, students should submit an electronic copy to the Global Programs Office on the agreed upon date.
- **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 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.