

**GIM Southeast Asia (SEA) 2014
Malaysia-Singapore-Indonesia**

Syllabus (version UPDATED 1.9.14)

Winter 2014

Thursdays, 6:30 – 9:30

Professor Phillip A. Braun
Phillip-braun@kellogg.northwestern.edu
Office: Jacobs Room 411
Phone: 773-454-6466
Office hours: Anytime by appointment

Carla Edelston
Director, International Coaching and Global Relations
c-edelston@kellogg.northwestern.edu
Office: Career Management Center
Phone: 847-491-3168

SEA Background

SEA represents one of the fastest growing regional economies in the world with challenging political and cultural complexities. These complexities present a great learning opportunity for GIM students. Singapore, Indonesia, and Vietnam, each with its own diverse economy, is at a different stage in development and is made up of various industries from high tech to hospitality; investment banking to infrastructure; and entrepreneurship to energy. These differences present tremendous opportunities for local and global corporations, small and large. This class will provide students with the opportunity to explore the growing importance of this region in the global economy through various lenses.

Countries in Southeast Asia vary widely in terms of culture, economics, politics, and religion. From the world's busiest trading port to one of the fastest growing economies in the world, from the world's largest Muslim state to a Catholic majority nation, from autocratic government to sultanates, from communism to capitalism, from a first world city to the largest pre-industrialization township Southeast Asia represents a plethora of ideologies, resources, and experiences which provide you with a unique Asian perspective.

Even prior to the penetration of European interests in the 1500's, Southeast Asia was a critical part of the world trading system. It has sustained its strategic relevance to present day commerce as global companies continue to leverage the region's geographical location and resources to make inroads into Asia and solidify their presence. With 9 percent of the total world population, Southeast Asia is experiencing the highest rate of urbanization in Asia Pacific and economic growth rates comparable to India and China

The Dutch began to colonize Indonesia in the early 17th century; Japan occupied the islands from 1942 to 1945. Indonesia declared its independence after Japan's surrender, but it required four years of intermittent negotiations, recurring hostilities, and UN mediation before the Netherlands agreed to transfer sovereignty in 1949. Free and fair legislative elections took place in 1999 after decades of repressive rule.

With a population of around 245 million people, Indonesia is the world's fourth most populous country (behind China, India, and the United States), and has the world's largest population of Muslims. It is made up of 17,508 islands and is one of the largest archipelagos in the world. It is

also the world's third largest democracy and has an elected legislature and president. Indonesia, a vast polyglot nation, has weathered the global financial crisis relatively smoothly because of its heavy reliance on domestic consumption as the driver of economic growth. Increasing investment by both local and foreign investors is also supporting solid growth. Although the economy slowed to 4.5 percent growth in 2009 from the 6 percent-plus growth rate recorded in 2007 and 2008, by 2010 growth returned to a 6 percent rate. During the recession, Indonesia outperformed most of its regional neighbors. The government made economic advances under the first administration of President Yudhoyono, introducing significant reforms in the financial sector, including tax and customs reforms, the use of Treasury bills, and capital market development and supervision. Indonesia's debt-to-GDP ratio in recent years has declined steadily because of increasingly robust GDP growth and sound fiscal stewardship, leading two of the three leading credit agencies to upgrade credit ratings for Indonesia's sovereign debt.

The Dutch began to colonize Indonesia in the early 17th century; Japan occupied the islands from 1942 to 1945. Indonesia declared its independence after Japan's surrender, but it required four years of intermittent negotiations, recurring hostilities, and UN mediation before the Netherlands agreed to transfer sovereignty in 1949. Free and fair legislative elections took place in 1999 after decades of repressive rule. With a population of around 245 million people, Indonesia is the world's fourth most populous country (behind China, India, and the United States), and has the world's largest population of Muslims. It is made up of 17,508 islands and is one of the largest archipelagos in the world. It is also the world's third largest democracy and has an elected legislature and president. Indonesia, a vast polyglot nation, has weathered the global financial crisis relatively smoothly because of its heavy reliance on domestic consumption as the driver of economic growth. Increasing investment by both local and foreign investors is also supporting solid growth. Although the economy slowed to 4.5 percent growth in 2009 from the 6 percent-plus growth rate recorded in 2007 and 2008, by 2010 growth returned to a 6 percent rate. During the recession, Indonesia outperformed most of its regional neighbors. The government made economic advances under the first administration of President Yudhoyono, introducing significant reforms in the financial sector, including tax and customs reforms, the use of Treasury bills, and capital market development and supervision. Indonesia's debt-to-GDP ratio in recent years has declined steadily because of increasingly robust GDP growth and sound fiscal stewardship, leading two of the three leading credit agencies to upgrade credit ratings for Indonesia's sovereign debt.

Singapore was founded as a British trading colony in 1819. It joined the Malaysian Federation in 1963 but separated two years later and became independent. Singapore subsequently became

one of the world's most prosperous countries with strong international trading links (its port is one of the world's busiest in terms of tonnage handled) and with per capita GDP equal to that of the leading nations of Western Europe. Singapore has a highly developed and successful free-market economy. It enjoys a remarkably open and corruption-free environment, stable prices, and a per capita GDP higher than that of most developed countries. The economy depends heavily on exports, particularly in consumer electronics, information technology products, pharmaceuticals, and on a growing financial services sector. Real GDP growth averaged 7.1 percent between 2004 and 2007. The economy contracted 1.3 percent in 2009 as a result of the global financial crisis, but rebounded nearly 14.7 percent in 2010 on the strength of renewed exports. Over the longer term, the government hopes to establish a new growth path that focuses on raising productivity, which has sunk to 1 percent growth per year in the last decade. Singapore has attracted major investments in pharmaceuticals and medical technology production and will continue efforts to establish Singapore as Southeast Asia's financial and high-tech hub.

Malaysia is a nation of diversity where Malays, Chinese, Indians and the indigenous people of Sabah and Sarawak live. During the late 18th and 19th centuries, Great Britain established colonies and protectorates in the area of current Malaysia; these were occupied by Japan from 1942 to 1945. In 1948, the British-ruled territories on the Malay Peninsula except Singapore formed the Federation of Malaya, which became independent in 1957. Malaysia was formed in 1963 when the former British colonies of Singapore, as well as Sabah and Sarawak on the northern coast of Borneo, joined the Federation.

Malaysia is one of the most developed countries in the ASEAN region. Its economy is largely dependent on manufacturing products such as electrical and electronic products, textiles, as well as rubber-based products, followed by the agricultural and mining sectors. Malaysia is also one of the world's largest exporters of palm oil, natural rubber, tropical timber, cocoa beans and pepper. Tourism is also a leading revenue earner.

GIM Program Objectives

The GIM Program is designed to enable 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, norms, challenges, and successes 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-Specific Objectives

The course structure is designed to:

1. Provide students a baseline understanding of the economic, political, and social characteristics of SEA
2. Explore ways of managing and conducting business in this region of the world
3. Further develop student teamwork and leadership skills

GIM Southeast Asia will meet these objectives by challenging students to apply their business education, knowledge, and experiences to exploring how economic development and shared economic goals can have a beneficial developmental impact in a region.

Assessment

Independent Research Project (IPG)	60%
Literature Review and Bibliography	5%
In-Country Research Plan	5%
In-Class Presentation	10%
Written Report	25%
Peer Evaluation	15%
Participation	40%
In-Class Participation (attendance, discussion, engagement)	15%
Pre-Country Preparation (participation in committees, determined by GIM advisor)	10%
In-Country Participation (plenary meetings; determined by GIM advisor)	15%

Attendance Policy

It is the policy of the Global Programs Office that attendance for all GIM classes throughout the term is mandatory as is participation in the two-week field trip. Attendance on the first day of class is 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 Class Advisor

Throughout your GIM trip, you will be accompanied by an in-country advisor who is a staff member at Kellogg. Our advisor is Carla Edelston. The in-country advisor is the faculty member's representative while in-country and will be treated as such. Among other logistical roles during the trip, he or she will be assessing each student's level of participation during the pre-country preparation phase and will assign 10% of the students' overall grade for this and the plenary meetings and will be assigning 15% of the students' overall grade that.

GIM Research Project

The core of the GIM class is an independent research project. Groups of 4 to 5 students will select an international business, economic or management issue to study in depth. The students begin secondary research on their topic during the winter term, incorporating perspectives from the class readings and speakers, and spend considerable time in-country speaking with resident experts, gathering local data, and testing their hypotheses and recommendations in the field.

*Students must conduct interviews for their projects in **every** city that they visit throughout the trip.*

Research Topics

Student teams develop their own research topics; they do not choose from a pre-defined list supplied by the faculty member. Good GIM projects are generally built around interesting, clear, and relatively narrow research questions. Weak GIM projects have often been lengthy and unfocused industry descriptions, e.g., "An Overview of the Brazilian Beverage Industry," or "Challenges and Opportunities in Japanese Real Estate."

Research Report Structure

Results of the research must be presented in a report of approximately 20-25 pages in length before exhibits. Students, in consultation with their professor, 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.
- **Literature Review and Bibliography** – Before departing for the in-country portion of the class, each project team must submit a literature 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 Research 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** – Within two weeks after returning from their trips, each IPG will make a preliminary presentation in class summarizing their research findings. The purpose of this interim deliverable is to allow faculty members and students to offer

feedback and suggestions to the research teams while forcing IPGs to organize their thinking in a presentation format prior to submitting the final written report. It is suggested that each team be given 10 minutes to present and 5 minutes for audience questions and suggestions.

- **Written Report** – The final report, generally 20-25 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 GIM Office on the agreed upon date.
- **Peer Evaluation** – Each member within the IPG 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.

Project Deliverables and Due Dates

Topic Discussion and Presentation Meeting (30 minutes) with Prof Braun and Ms. Edelston by 1.30.14

Final Topic Proposal: via email by 1.31.14

Literature Review and Bibliography: 2.6.14

Proposed list of IPG visits: 3.13.14

Final presentation: 4.9.14

Final project: 4.16.14

Peer evaluation: 4.16.14

Course Materials

Course materials are a function of our visiting speakers. When they recommend readings I will post the material on Blackboard.

Course Schedule

<p>1/9</p>	<ul style="list-style-type: none"> • Class Introduction and Structure • Background on SEA and its Political Systems <p>Jeffrey Winters, Professor of Political Science, Northwestern University</p>
<p>1/16</p>	<ul style="list-style-type: none"> • The Practice of Consulting in SEA: Clients, Assignments, and Lifestyle <p>John Yoshimura, former COO and Head of Asia-Pacific AT Kearney. Current AT Kearney Board Member.</p> <p>Skype from John Kurtz, current Head of AT Kearney Asia-Pacific, alumni from Jakarta</p> <p>http://www.atkearney.com/leadership</p> <p><i>Optional pre-class dinner with the speaker at the Allen Center from 5:15 to 6:15 for 10 students</i></p>
<p>1/23</p>	<ul style="list-style-type: none"> • Private Equity in SEA: Capital Raising and Investment Opportunities and Outcomes <p>Skype from Richard Pyvis, Executive Chairman, CLSA Capital Partners</p> <p>http://www.clsacapital.com/about-group.html</p>
<p>1/30</p>	<ul style="list-style-type: none"> • No class <p><i>Tentative optional social event to celebrate Chinese New Year, details TBA</i></p>
<p>2/6</p>	<ul style="list-style-type: none"> • History of SEA <p>Eric Jones, PhD, Assistant Director , Center for Southeast Asian Studies, Northern Illinois University</p>

<p>2/13</p>	<ul style="list-style-type: none"> • Emerging SEA – Vietnam and Myanmar <p>H.E. Mr. Le Hoai Trung, Ambassador Extraordinary and Plenipotentiary, Permanent Representative of the Socialist Republic Viet Nam to the United Nations Organization and former Deputy Foreign Minister.</p> <p>http://www.vietnam-un.org/en/mission.php?id=4</p> <p>Thomas J. Vallely, senior advisor for Mainland Southeast Asia , Harvard Kennedy School of Government</p> <p>http://www.ash.harvard.edu/Home/About/Staff/Vallely</p> <p><i>Optional pre-class dinner with the speakers at the Allen Center from 5:15 to 6:15 for 10 students</i></p>
<p>2/20</p>	<ul style="list-style-type: none"> • Understanding Islam <p>Brannon D. Ingram, Assistant Professor of Religious Studies, Northwestern University</p>
<p>2/27</p>	<ul style="list-style-type: none"> • Marketing and Hospitality in SEA <p>Mark Liversidge, Director Marketing for Asia Pacific, Hilton Worldwide</p> <p><i>Optional pre-class dinner with the speaker at the Allen Center from 5:15 to 6:15 for 10 students</i></p>
<p>3/6</p>	<ul style="list-style-type: none"> • Tech <p>Skype from Ankur Warikoo, Head, APAC Emerging Markets. Groupon</p> <ul style="list-style-type: none"> • Oil and Gas <p>Skype from Adif B. Zulkifi, EVP PETRONAS, alumni from Kuala Lumpur</p>
<p>3/13 last class</p>	<ul style="list-style-type: none"> • Wrap-up and prepare for trip

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.

Final Class

The mandatory, final GIM class will meet on Wednesday, April 9 from 9:00am to 12:00pm and is intended to be the time that each IPG will deliver their in-class presentation and receive feedback and questions from their peers and faculty member.

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.