

University of California, Berkeley
Haas School of Business

Course Syllabus:

EW MBA298S.1

Seminar in International Business (SIB): China

Spring 2018

Sunday, March 4, 2018 Class Session (5PM - 9PM)
Sunday, March 11, 2018 Class Session (5PM - 9PM)
Sunday, March 25, 2018 Arrive in Beijing, China (4pm)
Saturday, March 31, 2018 Depart from Shanghai, China
Sunday, April 22, 2018 Class Session (5PM - 9PM)

Haas Location: C325

Instructor: Arman Zand

Office hours: By appointment

Office: By wechat

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GSI: Alice Cheung

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SIB Objectives:

Seminar in International Business ("SIB") introduces students to the current business environment of a specific country or group of countries. Through lectures, readings, research, class discussions, in-country visits to businesses and institutions, and interactions with business leaders and experts, the seminar seeks to develop knowledge of a specific business context and the skills and confidence to explore, enter and operate effectively in a new international business environment. SIB reinforces Haas' four defining principles:

- *Question the Status Quo:* The exploration of context and business practices elsewhere inevitably raises questions regarding context and business practices at home. How is business shaped by context and how does business shape that context in return?
- *Confidence without Attitude:* Observing different practices challenges students to consider how they would react/operate under similar conditions/situations.
- *Students Always:* SIB is an educational experience. Its objectives are to provide new insights and skills while reinforcing, and perhaps challenging, what has been learned in

other courses.

- *Beyond Yourself*: Exposure to new geographies and cultures enriches students' sense of the world and their place in it. How companies approach social responsibility, sustainability and governance is a theme that SIB seeks to examine.

Course Summary: SIB China

The course will introduce students to the current business environment in China through visits to some of the leading startups, technology companies, and venture capital firms in the country, as well as through individualized or team research. The theme of the course is: ***Will China become a global innovation superpower?***

SIB China includes two pre-departure class sessions, in-country meetings, and one debrief session back in Berkeley. The in-country portion of the trip will focus on the following sub-themes related to the Chinese business environment:

1. In its goal to become a global innovation superpower, what are the challenges and opportunities facing entrepreneurs in China?
2. The PRC government has openly announced that innovation is key to its ambitions growth plans. How can government help or hinder Chinese entrepreneurs?
3. China has a rich history of culture and customs. How does the local business and customs help or hinder Chinese entrepreneurs?

The program will be delivered through a blend of curriculum, company visits, and meetings with a number of China's best known firms and experienced executives. We will utilize different types of interactions, including presentations, interactive Q&A, and panels.

The learning objectives of the class include:

- Experience China: business, market opportunities and business culture.
- Understand how context and culture shape business, promoting adaptation & innovation.
- Reflect upon the experience and apply the insights to your company, to opportunities in China or in other markets, and to your own leadership style.

Faculty Instructor: Arman Zand



Arman Zand has more than 17 years of experience working in venture capital, technology, and finance. He is currently Head of Portfolio Engagement at Quona Capital, a fintech fund focused on financial inclusion in emerging markets. Prior to joining Quona, Arman was Director of Business Development at RocketSpace, Inc. where he helped advise on corporate open innovation and connected startups with Fortune 1000 brands. Arman spent the previous 15 years at Silicon Valley Bank in the US, India, U.K, the Middle East, and Asia, helping expand the bank globally including 7 years in China where he helped co-found China's first joint venture technology bank.

Arman is fluent in Mandarin Chinese and is a part-time lecturer at Haas School of Business, UC Berkeley.

Areas of exploration for the trip, for your final team project, and for the reflection paper:

Below are suggested questions and themes to explore during the company visits, Q&A sessions in China, as well as in your final reflection paper. We will only address a subset of these topics during the trip, and the emphasis will vary depending on the company visits scheduled:

- Market opportunities and trends
 - Currently, what are the most compelling market opportunities in China? (Teams may address a specific industry sector or company)
 - What are the industry trends and competitive landscape in the Chinese market?
 - What are the unique characteristics of Chinese consumers (mobile use, social media, online vs. offline purchasing, etc.)?
 - If you were a fund manager, venture capitalist, or private equity company, where would you invest?
 - Through the company visits, we will explore sectors such as technology, consumer goods, venture capital, etc. Students are also free to pursue other sectoral interests.

- How does the business environment shape strategy and business models
 - How do MNCs enter and adapt to the Chinese market?
 - How do local firms evolve in response to the unique aspects of the Chinese market?
 - What are the major challenges faced by local Chinese companies and multinationals? (macroeconomics, regulation, infrastructure, shortage of skilled workers, and generally the “China cost”). How do companies address these challenges in creative ways?
 - How does the business environment (and institutional voids) shape business strategy and business models?
 - What are examples of creative business models? For instance, models targeting unmet needs (*B2B*, *B2C*), models addressing “institutional voids” as business opportunities, or models focusing on lower-income customer segments?

- Entrepreneurship and venture capital in China:
 - How are venture capital and the entrepreneurial “ecosystem” evolving in China? What are the key gaps in the ecosystem?
 - How does the venture capital industry in the US compare to the VC industry in China (e.g. external advisory board members in China)?
 - What are the unique opportunities and challenges for Chinese startups?
 - How do startups copy/adapt/create business models (what do you think of the “copy cat” strategy, so often used)?
 - How do startups identify customer needs, test, and validate (or pivot) business models? How prevalent is the “Lean” approach in China?

- Innovation:
 - How do Chinese companies innovate? What are the sources of innovative ideas (internal resources, open innovation)?
 - What are examples of new technologies or creative business models utilized by companies in China to address market opportunities?

- o How do business environment challenges shape innovation?
- o What are the national policies to promote entrepreneurship and innovation in China, and how effective are these policies?
- History, culture, politics and their impact on business: Students can also explore themes related to history, culture, politics and their impact on business. For example:
 - o How does China's historical evolution influence the current economic and business environment?
 - o How does culture influence business (e.g., media and consumer marketing strategies, organizational culture, business partnerships)?
 - o How does Chinese business culture differ from that of other countries?
 - o What is the perspective of senior executives on company culture and leadership?
 - o What is the impact of politics and government policy on business? For example, in previous years one student wrote a final paper on Chinese labor laws and human resource policies of Chinese firms; another student focused on women in business.

These are examples of potential theme areas. Students will have an opportunity to explore these themes during the company visits, through a panel on entrepreneurship as well as through assigned readings and by working on a team project. Students may also suggest other themes for their final team project based on their professional and personal interests.

Itinerary and Company Visits

The updated list of company visits and itinerary will be presented in the first class.

Readings to be completed before in country arrival

Required: [Mr. China: A Memoir Paperback – by Tim Clissold](#)

Should be read and will be discussed in the first class.

Recommended: [China Rules - by Tim Clissold](#)

Highly recommend follow-up to Mr. China but not required.

The following articles and podcasts are to be read and listened to prior to Class 2 at which we will be discussing and cold calling.

[China and Science Fraud](#)

[Will the next Steve Jobs be from China](#)

[Wechat User and Business Ecosystem](#)

[Airbnb China](#)

[Toutiao](#)

[Eric Schmidt on China AI](#)

[GGV Hans Tung](#)

[Xi Jinping Dreams of World Power for Himself and China](#)

[What Sequoia's Mike Moritz doesn't understand about startups in China](#)

[Tencent Dominates in China. Next Challenge Is Rest of the World](#)

[Kaifu Lee's Journey From Google China to Sinovation Ventures](#)

Class sessions

We will have two class sessions before the trip and one class session following the trip, covering the following items:

Class #1 (Course Introduction, Logistics, and China Overview)

Personal story 45 mins
Ice-breaker - Kate Bonk 10 mins
Survey results 5 mins
Discussion: China as a Global Innovation Superpower 30 mins
Video: 10 mins
Break 15 mins
Review course reading 5 mins
Overview of syllabus: Course objectives and requirements 20 mins
Discussion of companies visits 20 mins
WeChat Discussion 5 mins
Globesmart preparation – Kate Bonk 10 mins
Logistics Q&A 30 mins

Class #2 : Business Environment, Culture & Company Discussions

- Globesmart cultural assessment discussion – Alice Cheung
- Introduction on China Video
- Discussion on China business environment
- Discussion on required readings
- Chinese business culture - what to do / avoid
- Break
- Chinese language
- Team presentations*
- Logistics Q&A- Part 2

*Each team will be responsible for a company during our visit. In the second class, each team will make a brief presentation to introduce the company to the class. Your presentation should cover the following items. *It may be difficult to find information on all of the items below, but please do your best with the available information.*

1. Company overview: brief history, main products/services, size, growth, and other facts/figures

2. Brief market overview: size, growth, competitors, trends
3.
 - a. How has the company been innovative?
 - b. (If information is available:) What strategies does the company use to innovate? For example, potential strategies may include: internal R&D and new product development, internal entrepreneurial teams, open innovation, working with startups, corporate venturing, M&A, fostering innovation culture.
 - c. What are some unique or innovative aspects of the company's business model?
4. Suggested questions/topics for the company visit in China

The presentation should be 10 minutes long + 5 minutes for Q&A. We suggest 4 PowerPoint slides, with a combination of images, graphs, and few short bullet points (please keep the detailed information in your speaker notes or appendix).

Class #3: Post-trip wrap-up

- Assessment of company visits and experience as a whole. How did it compare with what you expected?
- Final team presentations (see instructions below)
- Discussion and wrap-up.

Assignments and Grading:

30% Participation and attendance: Full participation is required for all classes in Berkeley and for all meetings in China. Your creative and constructive involvement during class and during company visits is an important component of the course experience (*quality* of participation is more important than quantity). Participation includes attendance and contributions to the two pre-trip classes (including the Globesmart assessment), all in-country meetings, and wrap-up session at Berkeley.

Students that miss any of the Berkeley sessions will not pass the class. Students that skip or are late to any of the China meetings will be deducted 15% from the overall grade.

20% Pre-trip company presentations. Presentations should be conducted in teams of 2 students and will take place **during the second class session**. The objective of the company pre-briefings is to familiarize all students with the companies that we will visit and to prepare questions/topics to discuss during the visits. A secondary objective is to work on presentation skills and techniques.

25% "Investment Memo" team project: Please self-organize in teams of 2 for this assignment. We encourage the class to maintain the same teams as the company presentations. Consider yourself an investor with \$10MM to invest in one of the entities that we meet in China. The investment could be in, a) a startup, b) a VC fund, or c) the China operations of a large company, or d) A chinese company. You are optimizing for return in 5 years.

The format should include the following:

- Clearly state your thesis of your investment
- Business model and competition
- How is does this company/firm take advantage of the China opportunity
- What about China the government, business practices, culture, can hinder/help this company
- Provide the analysis and rationale for this business opportunity
- Return analysis with justifications and assumptions
- Wrap-up: conclusions

Teams should prepare the following:

- Powerpoint for class presentation: using images, graphs and few bullet points. We suggest ~5 slides as a general guideline. **Please submit this version before the last class.** After your presentation, class members will be encouraged to poke holes in your argument and you are expected to defend your investment decision.
- Final word version with supporting documentation: a version with more explanatory text, data analysis, and supporting documentation, including at least some third party research on company or industry. You must also include your position on the theme of the class. We suggest 4-5 pages as a general guideline for the final version of the word document. **The final version can be submitted exactly one week after the last class.**

The final paper should go beyond just presenting facts and data: it should contain a thoughtful analysis based on the company visits, review of literature, and other research and analysis activities. The presentation should also tell a coherent "story". The papers will be evaluated based on the following criteria:

- Clear thesis and a compelling story
- Supporting research, including class readings and other information sources, as needed
- Inclusion of relevant insights from company visits, when appropriate (feel free to cite other visits in addition to the visit pertaining to your investment target)
- Quality of the analysis, thoughts, and opinions
- Quality and creativity

FAQs on Final project

- Utilize information from company visits, research, class discussion, and other sources.
- Combine objective data, your synthesis of those data, and your own analysis and conclusions. The presentation should provide a thoughtful analysis.
- Students are encouraged to apply analytical frameworks and methods learned in other MBA studies.
- Use multiple data sources (primary or secondary).
- Cite the sources of your data, including data used in graphs.

NOTE: Papers that aim for a perfect score MUST include a very clear return analysis in the investment memo with justifications and assumptions listed clearly.

25% Individual reflection paper: The reflection paper should be 2-3 pages long. You can focus on personal aspects of the experience, on your insights about the Chinese business environment, on your project team dynamic, or on all of the above. In addition, your paper should include your position on the theme of the class. Below, please find a few sample questions to guide your reflection paper. You do not need to address all topics or all questions, but we expect thoughtful analysis and reflection.

- Questions about the Chinese business environment
 - What was unique or unexpected about your experience in China?
 - What is unique about Chinese business leaders and their companies/ organizations?
 - How does the market context and institutional environment influence business?
 - How does culture influence business? What are the implications?
 - Did you identify specific business opportunities in China for your company (this may also be addressed in the Final PowerPoint project)?
 - How does China compare to the US or to your native country? Do you see the US (or your native country) in a different light after your experience in China?

- Questions about your personal experience
 - What motivated and inspired you during the trip?
 - What challenged you?
 - What were you most proud of?
 - What did you discover about yourself? About your values and culture?
 - What leadership lessons did you learn?
 - Did the Globesmart assessment provide relevant insights for China? What were they main cultural "gaps"? Did you engage in any type of "style switching" in China?
 - What learnings can you apply to another country or situation?
 - What changes will you make going forward based on what you've learned?

- Questions about your project team experience.
 - How was your experience with the team project dynamic? What worked well? What aspects could have been improved?
 - Did the Globesmart assessment provide relevant insights for your team project? What were the main work style "gaps" across the team? Did you engage in any type of "style switching" over the course of your interaction with the team?

The reflection paper is also due exactly one week after the last class. Papers received after this date will receive a mark-down. Papers that aim for a perfect score must clearly state the writer's personal position on the class thesis.

Deliverable	Due
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Team Presentation PPT	March 10, 2018 (4pm)
Team Presentation Live	March 11, 2018 (in class)
Investment Memo PPT	April 21, 2018 (4pm)
Investment Memo Live	April 22, 2018 (in class)
Investment Memo Report	April 29, 2018 (4pm)
Personal Reflection Paper	April 29, 2018 (4pm)