

**B30.2190.U4**

**Global Perspectives on Enterprise Systems**

**Prof. George David Smith**

**Late Summer Intensive 2007**

**September 4-13**

**1.5 credits**

(subject to revision)

**Course Description and Requirements**

This course of reading, writing, lecture and discussion considers the enterprise systems of Great Britain, Germany, Japan and the United States. We will examine the political and economic dynamics these four, successful, wealth-creating societies, paying special attention to impacts of government, entrepreneurship, management, and financial institutions. The intellectual objectives of the course are to hone students' abilities to think comparatively, over time and across cultural contexts.

We will take time to consider the lessons we can learn from history and their application to nations and institutions in our own time.

Classes will be a mix of lecture and discussion of the assigned readings. Attendance is important. Short paragraphs on the assigned readings will be required for each class as a preparation for discussion. There will be a final take home essay, distributed in the penultimate class session, which will be due one week from the end of the course.

Since there are reading and homework assignments due for the first class on August 11, it is important to do the reading sufficiently in advance. Please read for comprehension. Think about what the important themes are. Don't get lost in the mass of detail. There is absolutely nothing to memorize.

Course grades will rest mainly on the quality of the final essay, adjusted for quality of class discussion and homework.

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**Required texts**

Thomas C. McCraw, ed., *Creating Modern Capitalism* (Harvard University Press, 1998). Available in NYU Professional Bookstore or on-line distributor.

George David Smith and Richard Sylla, "Capital Markets," from *Encyclopedia of the 20th Century* (Scribners, 1996). Posted on Blackboard under "Assignments."

George David Smith, Richard Sylla and Robert E. Wright, "The Diamond of Sustainable Growth," Posted on Blackboard.

**Class Schedule and homework assignments**

**9/4 (6-9 pm) Patterns of modernization: government and society**

Read: Smith, et al., "Diamond of Sustainable Growth;" Peter Botticelli, "British Capitalism and the Three Industrial Revolutions"; Thomas C. McCraw, "American Capitalism"; Jeffrey Fear, "German Capitalism"; Jeffrey R. Bernstein, "Japanese Capitalism," from *Creating Modern Capitalism*.

Homework assignment due at the beginning of class: Think about: What surprises you about the comparative economic development of the UK, the US, Germany and Japan?

**9/6 (6-9 pm) Dynamics of capitalism: financial systems**

George David Smith and Richard Sylla, "Capital Markets;" "The Deutsche Bank" in *Creating Modern Capitalism*.

Homework: Write no more than a page on: Though there is some "convergence" among different financial systems in the contemporary world, they were significantly different in Germany and the US before the 1990s. How do you account for these differences? Which system, historically, was better?

**9/9 (9-12 am) Dynamics of capitalism: entrepreneurship and management**

Read: "Josiah Wedgwood" and "August Thyssen" from *Creating Modern Capitalism*.

Homework: Write a paragraph on each of the following questions: What, if anything, is particularly remarkable about Josiah Wedgwood's business achievement? Why was Thyssen called "The American"?

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**9/9 (1-4 pm) Comparative advantage lost and won**

Read: "Toyoda Automatic Looms..." and "Rolls Royce" in *Creating Modern Capitalism*.

Homework: Toyoda/Toyota managed to capture markets from superior players in the textile machinery and auto industries. In each case, what factors contributed to the company's success? A page, please. Also, think about how Japanese culture might have contributed to that country's success in certain markets. (Write on one.)

**9/11 (6-9 pm) Exploiting market (and political) constraints**

Read: "IBM" and "7-Eleven in America and Japan" in *Creating Modern Capitalism*.

Homework: Rolls Royce found its niche in two industries. In each case, what factors contributed to the company's success? How do you explain the divergence of 7-Eleven strategies and operations in the U.S. and Japan? (Write on one.)

**9/13 (6-9 pm) Lessons for (and from) emerging markets**

Please search for and read some articles or other sources on the economic development of one of the following: Brazil, Mexico, Poland, Ireland, Tanzania and the UAE. The instructor will assign groups specific responsibility for each of the countries. From each group students will be chosen to make a *15-minute* presentation to the rest of the class. What are some relevant facts of the country's history? What does each have going for it in terms of government, entrepreneurship, management, and finance? What are the negatives in each area?

**Classroom Comportment**

Classes will start on time, so please be on time. It's the right thing to do. Everyone is expected to turn off all cell phones and put away all laptop computers, game boys, magazines, crossword puzzles, and other distracting paraphernalia during class sessions. Please at least pretend to be interested in what the instructor and your classmates have to say. Be not afraid to ask questions, to challenge the professor and one another, and to hold forth with your own ideas about the subject matter, so long as you are polite and don't suck the air out of the room (that privilege is reserved for the instructor). At the end of class, take out everything you brought in, save for rubbish, which you may deposit in the receptacle provided. Dress as you would at home, so long as you dress at home.

## Instructor's Biographical Information

**George David Smith** is Clinical Professor of Economics and International Business at the Stern School of Business, New York University where he serves as Academic director of the Executive EMBA Programs. He began teaching at the Stern School in 1984 and joined its economics faculty in 1988, and is now one of the school's two full-time historians. He offers courses in U.S. Business History, Global Perspectives on the History of Enterprise, Markets, Ethics and Law, and Entrepreneurial Leadership. He is also a faculty member of the Berkley Center for Entrepreneurial Studies and is a research associate of the Center for Japan-U.S. Business and Economic Studies. He has been twice named a Glucksman Faculty Fellow.

Professor Smith holds a Ph.D. in history from Harvard University, where he taught from 1972-78. He worked as project manager for telecommunications industry antitrust studies at the Cambridge Research Institute from 1979-1981. In 1982 he was founding partner of The Winthrop Group, Inc. in Cambridge, MA and New York, where he has consulted to such companies as ALCOA, AT&T, Comcast Corp., Cotton Incorporated, Dillon, Read, Inc., Dover Corporation, General Electric Company, Guardian Life Insurance Company, Japanese Ministry of Posts and Telecommunications, Kohlberg Kravis Roberts & Co., McKinsey & Co., Shell Oil Company and John Wiley & Sons.

Some of his publications include:

*A Concise History of Wall Street*, with Richard Sylla. Cambridge University Press, forthcoming.

*Mutually Beneficial: The Guardian and Life Insurance in America*. New York University press, 2004.

*Cotton's Renaissance*, with Timothy Jacobson. Cambridge University Press, forthcoming 2001.

*Wisdom from the Robber Barons*, with Frederick Dalzell, Perseus Books, 2000.

"Leveraged Management Buyouts at KKR," with George Baker, in *Private Equity*, Euromoney/Institutional Investor, 2000).

*The New Financial Capitalists: Kohlberg Kravis Roberts and the Creation of Corporate Value*, with George P. Baker. Cambridge University Press, 1998.

"The Rise and Transformation of the American Corporation," in *The Corporation Today*, ed. Karl Kayser. Oxford University Press, 1996.

*The Transformation of Financial Capitalism*, with R. Sylla. Blackwell, 1993.

*From Monopoly to Competition: The Transformations of Alcoa*. Cambridge University Press, 1988.

*Anatomy of a Business Strategy: Bell, Western Electric and the Origins of the American Telephone Industry.* John Hopkins University Press, 1985.