NYU Stern School of Business & Guanghua School of Management, Peking University

Doing Business in China (Beijing)
B86.3305.0A

Beijing, China
May 2010

Dates
- Tuesday, April 13, 2010 (5:00-5:45 p.m.)
  - Mandatory Pre-Departure Class Session at Stern
- Sunday, May 16, 2010 – Saturday, May 29, 2010
  - 13-day program, including 10 days of academia and 3 days of non-academic events

Course Description
This course gives an overview of doing business in China, including an introduction to Chinese economy, history and culture. Lectures and seminars on a wide range of topics allow students to:
- Understand the drivers of China’s phenomenal economic growth over the last 25 years and future trends
- Appreciate the uniqueness of the Chinese market, organizations, and social structure
- Learn how firms conduct marketing, branding, human resources and strategic management in China
- Identify business opportunities in China

The course includes lectures, case studies, guest lectures, company visits, projects and cultural events.
**Highlights**
- Guest lecturers add a practical perspective on diverse topics
- Case discussions and debates engage student participation
- Interaction with local students provides a broad picture of China
- Basic Mandarin course helps students to navigate during their stay in Beijing

**Course Requirements**
- Attend the Stern Pre-Departure meeting
- Attend all lectures and presentations in Beijing during the academic program
- Active participation in class debates and cases
- Complete the minor assignment
- Complete the major project

*Failure to meet attendance and deliverable requirements will result in a failing grade.*

**Mandatory Pre-Departure Class Session**
A mandatory pre-departure class session will be held on **Tuesday, April 13, 2010 from 5:00-5:45 PM** at Stern to meet in study groups, review logistics, and discuss pre-trip work. Room for session will be emailed to enrolled students prior to date. **Students that are unable to attend the pre-departure meeting will not be permitted to participate in the DBi China (Beijing) program.**

**Grading**
Guanghua professors will assign grades on the following criteria:
- Assessment will be on the minor assignment (25%), class participation (25%) major project (50%). The minor assignment will involve each group of students working on a specific topic to research prior to arriving in Beijing (potential topics are given below). Class participation will look at the attendance and involvement of the case discussion and presentation. The major project will be a group assignment on a real company or a business project concerning issues such as employees and employment practices, branding and marketing strategies, managing operations and alliances, etc. During their stay, students need to analyze issues and present their findings during the final classroom session.
- To receive credit, students must attend all class sessions and corporate visits (unless they are stated in the outline as being optional) and achieve an acceptable grade for the minor assignment, the written report and project presentation. **Failure to attend these sessions will result in a failing grade**
- A letter grade will be assigned and calculated into the Stern GPA.

*Please be advised attendance is mandatory at all classroom lectures and corporate visits. Not attending a required session will result in a failing grade.*

DBi courses are developed by Stern in collaboration with the partner school. As such, DBi courses follow the same grading policies of all Stern courses. Letter grades are given and recorded on the student’s Stern transcript. The final grade is calculated into the Stern GPA. All course requirements stated on the syllabus must be met to receive a passing letter grade. Assignments are graded by the host school faculty. Final credit will be awarded once the official transcript is received from the school abroad.
Tentative Course Syllabus (Subject to Change)

Students who fail a DBi course will not receive credit and must make up these credits through additional coursework at Stern.

Course Deliverables

Minor Assignment
Due: April 30, 2010

The minor assignment will consist of each group of students being given a specific topic to research prior to arriving in China. Study groups will be assigned the topic with the corresponding number (e.g. Study Group 1 will be assigned Topic #1).

The topics include:

1. In response to the current economic crisis, the Chinese government has implemented a number of measures. Relative to the US government’s measures, discuss similarities and differences in their approaches and potential outcomes.
2. How do you think China’s one-child policy will affect the demographic and sociological makeup of China in 20 years’ time?
3. Discuss the notion that “China is the world’s factory.” To what extent is this true, and how do you think it will change in 10 years’ time?
4. Discuss the phenomenon of the migration of rural workers to urban areas in China.
5. Chinese companies are now beginning to expand globally. How would you suggest Chinese car manufacturers go about this process?
6. What are the pressures on the Chinese currency? How do you think the Chinese currency will perform over the next 5 years, and why?
7. While China is known today as a manufacturing country, what do you think are the prospects of the service sector in China? List examples and counter examples to illustrate your arguments.
8. Summarize the USA’s trade relationship with China, and in view of the current economic crisis, how this relationship may be affected in the next 10 years.

Deliverables will be a 15 minute presentation during day 1 of the course and have no more than 20 PowerPoint slides. Groups will email their slides to Guanghua School of Management’s course director (Prof. Hean Tat KEH, htkeh@gsm.pku.edu.cn and MBA International Programs (intl@stern.nyu.edu) by April 30, 2010. The slides must include at least three good website references for further information. All students will be given a copy of all slides on Day 1 of the program, providing them with an overview of key aspects of the Chinese economy, culture and society.

Major Project
Due May 29, 2010

The major project will involve choosing an industry and/or specific company (possibly but not necessarily using one of the industries or companies studied during the course), researching and answering the following questions:
1. What would this company (or a company in this industry) have to do differently in China versus the United States? Projects should include some mention of issues that would arise with employees and employment practices, brand and marketing strategies, managing operations/logistics and alliances.

2. Do you believe that there is a large market opportunity in China for this company/US companies in this industry? Why or why not?

Deliverables will be a project report of 10-15 pages (not including tables, charts and appendices) and a project presentation.

**Course Materials**

Materials will consist of articles and case studies that will be provided to students either in advance of the course start date or upon arrival as deemed appropriate by the faculty.

**Study Groups**

Study groups and minor assignment topics will be pre-assigned in groups of 5 students before the April 2010 Pre-Departure meeting.

**Laptop and Wireless Handheld Devices Policy**

While students are encouraged to bring their laptops to work on their presentation, laptops are not allowed in the classrooms. Wireless Handheld Devices (Blackberry, Palm, Cell Phones, etc.) are not permitted in the classrooms. Please respect the professors and the partner school by adhering to this policy.

**Honor code/Code of Conduct**

It is a requirement that students adhere to the MBA Honor Code and Code of Conduct. Every student is obligated to report any suspected violation of the code that he or she has observed to the Academic Affairs administrator in charge on the DBi program.

http://w4.stern.nyu.edu/scorp/committee.cfm?doc_id=4797

Code of Conduct violations will be reported to and handled by the MBA Judiciary Committee upon return to Stern.

**Access to computer labs, library and research facilities**

During the program, students will have full access to all facilities including computer labs, the School’s wireless network, library and library databases. The school will ensure students have access to computers during the evenings to allow for completion of project work.

**Accommodations**

Lodging and breakfast is included in the DBi program fee. Students will have double occupancy bedroom accommodations. All rooms are equipped with a TV, bathroom, shower, air-conditioning, closet and internet access. Lodging is provided from arrival on Sunday, May 16, 2010 to departure on the morning of Saturday, May 29, 2010.
Meals
Breakfast is provided by the hotel and included in the DBi program fee. There are three dinners included in the program fee: a welcome dinner, a farewell dinner, and the dinner with the Beijing Night Show. Ten lunches during the week are also included, but other lunches and dinners are on your own account and are not included in the DBi program fee. Other meals are readily available for students to buy either in the school cafeteria (lunch) or the surrounding area.

The school is located in the Northwestern part of Beijing city. It is surrounded by the “Silicon Valley” of China, where you can find all sorts of electronics and high-tech products (MP3, cell phones, laptops, etc.). It is about a 40-minute cab ride to the centre of the city (Tiananmen Square). Public transport is close, safe and inexpensive.

You can find further information about Beijing at the following websites (note that these are independent websites, not related to the Guanghua School of Management or Peking University):
http://ebeijing.gov.cn/default.htm

China Visa
Guanghua will assist in providing visas for all students enrolled in DBi China. More information will be available shortly.

Note: It is the student’s responsibility to apply and receive the appropriate visas for their passports in a timely manner for the course. Refunds are not provided for those students who fail to secure their visas.

Group Events
Fees and transportation for the city tour and cultural excursions are included in the DBi program fee.

Transportation to/from Beijing
Students must arrange and pay for their transportation to/from Beijing, China and to/from the airport. Students must arrive at the hotel on Sunday, May 16, 2010 and plan to depart from the program on the morning of Saturday, May 29, 2010. Students are free to travel independently before or after the course at their own expense.

- To Corporate Visits: Transportation to and from all corporate presentations is included in the DBi program fee.
- To Group Events: Group program activities include transportation, and it is included in the DBi program fee.
- To Personal Activities: Not included in the DBi program fee; at student expense.
Costs for Program

1. Stern tuition for 3 Credits
2. DBi Program Fee for China (Beijing)
   Includes:
   - Ten half-day lectures (33 classroom hours) with all reading, audio-visual content, and other educational materials for the tour
   - Two basic Mandarin instructions (1 hour sessions each)
   - 2 guest speakers
   - Examination and grading of the participants
   - Three company visits with transportation
   - Sightseeing: Great Wall, Summer Palace, Forbidden City, Lama Temple
   - Culture events: Hutong Tour, Peking Opera
   - Accommodations with breakfast for 13 nights (double-occupancy)
   - Tea breaks at school
   - 2 guest speakers
   - 3 dinners: Farewell dinner, Hutong day dinner, Peking Opera dinner
   - 10 Lunches

3. Additional expenses to be covered by student (EXCLUDED from DBi program fee)
   - Airfare
   - Transport to/from airports
   - 4 lunches
   - 10 dinners
   - Subway fare
   - Entertainment
   - Personal expenses

International Students
International students must contact OISS regarding their travel plans and must attend an OISS “Travel Workshop.” Also, visit the OISS website “Immigration & Employment”:
http://www.nyu.edu/osl/oiss/immigrationEmploy/travelInstructions.html

Student with disabilities
If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide MBA International Programs with a letter from them verifying your registration and outlining the accommodations they recommend. If you will need to take an exam at the CSD, you must submit a completed Exam Accommodations Form to them at least one week prior to the scheduled exam time to be guaranteed accommodation.

Please Review All DBi Program Policies
Please review all of the DBi Program policies and procedures posted online at the MBA International Programs website:
http://www.stern.nyu.edu/mba/international/DBI_Program/DBI_Overview.htm
Course Structure

<table>
<thead>
<tr>
<th>Session (3 hours)</th>
<th>Topic</th>
<th>Instructor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to Chinese Society, History and Culture</td>
<td>Zhang, Yichi</td>
</tr>
<tr>
<td>2</td>
<td>Organizational Behavior and HR Management in China</td>
<td>Keh, Hean Tat</td>
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<tr>
<td>3</td>
<td>Marketing to the Chinese Consumer</td>
<td>Keh, Hean Tat</td>
</tr>
<tr>
<td>4</td>
<td>Branding in China</td>
<td>Zhang, Yichi</td>
</tr>
<tr>
<td>5</td>
<td>Mergers &amp; Acquisitions</td>
<td>Jiang, Guohua</td>
</tr>
<tr>
<td>6</td>
<td>Economic Development, Government, and Business Environment</td>
<td>Zhou, Li-an</td>
</tr>
<tr>
<td>7</td>
<td>Local adaptation of MNCs in China</td>
<td>Wu, Jianfeng</td>
</tr>
<tr>
<td>9</td>
<td>Entrepreneurship in China</td>
<td>Zhang, Zhixue</td>
</tr>
<tr>
<td>11</td>
<td>Group discussion and presentation</td>
<td>All instructors</td>
</tr>
</tbody>
</table>

Module Descriptions and Instructor Background:

**Introduction to Chinese Society, History and Culture**
This module will set the stage for the Doing Business in China program by providing a comprehensive but brief description of China. After attending this module, you will have a broad picture of Chinese history and know about some key historical events such as the Cultural Revolution and the Economic Reform as well as their impacts on contemporary China. You will have more knowledge about the Chinese society in terms of its demographic characteristics, geographical differences, and living standards of the people. We will also discuss Chinese culture and its evolving trends as related to doing business in China.

**Organizational Behavior and HR Management in China**
This module will focus on the people side of doing business in China. We will describe the characteristics of Chinese employees in terms of their values, attitudes, and personality. We will discuss power sources and politics in Chinese organizations and highlight the importance of social connections (guanxi). We will identify the unique cultural dimensions of corporate culture and characteristics of organizational architecture in China. We will introduce the types of labor contracts and modes of employment relationships in different organizations, and will present the popular HR management practices in various functional areas and contrast the differences of them among different organizations in terms of size and ownership.
Brief Bio of the Instructor:
Dr. YiChi Zhang is currently holding the positions of Professor of Management at the Guanghua School of Management, Vice Director of SME Center of PKU, and Director of the MBA program of the school. He obtained his bachelor, master, and PhD degrees from the School of Economics, Peking University. Prof. Zhang’s research interests focus on the High Performance Work Practices and their impacts in China, the strategic link between employment relationship and firm performance. His research papers have appeared in the leading Chinese academic journals and international academic journals such as Journal of Organizational Behavior as well as book chapters published in English.

Marketing to the Chinese Consumer
This module provides a description of the Chinese market, and introduces participants to the marketing practices in China. While the basic principles of marketing continue to apply in China, many changes in strategy and tactics are necessary to market successfully there. We will discuss examples of how both foreign and local companies conduct marketing in China.

Branding in China
Branding is perhaps the most visible way for a firm to differentiate itself in the market. Particularly in China, consumers are increasingly brand literate, and the onus is on the company to ensure that its branding strategy is appropriate and implemented correctly. Based on the established branding building blocks, we will explore how they are applied in the Chinese market.

Brief Bio of the Instructor
Hean Tat Keh (郭贤达) (Ph.D., University of Washington) is the Academic Director of the Doing Business in China program at the Guanghua School of Management, where he is also an Associate Professor and Vice Chair of the Department of Marketing. He was previously on the faculty of the National University of Singapore, and has written three popular books, ‘战略市场营销——经理人精要指南,’ ‘Services Marketing in Asia’ and ‘Strategic Asian Marketing.’ Professor Keh’s research interests include Brand Management, Services Marketing, Strategic Marketing, Cross-Cultural Research, and Doing Business in China. His research has been published in prestigious academic journals such as Journal of Advertising, Marketing Letters, Journal of Retailing, IEEE Transactions on Engineering Management, European Journal of Operational Research, Omega, Journal of Retailing and Consumer Services, Journal of Business Venturing, and Entrepreneurship Theory and Practice. He has also served as a consultant and conducted executive programs for companies such as GSK, Midea, Dow Chemical, Samsung China, China Merchants Group, China Merchants Bank, Tenaga Nasional Berhad (Malaysia), Lundbeck (Asia), British-American Tobacco, NOL (Singapore), Singapore Pools, and Motorola.
Merger and Acquisition by Foreign Companies in China
In this module, we will discuss the recent trends in M&A activities by foreign companies in China. Then, through a couple of case studies, we examine the important political, cultural, social as well business factors that a foreign acquirer has to understand before acquiring a Chinese target. Failing to do so has led some multinationals into compromising their China strategy. Recommended readings: Mr. China by Tim Clissold.
Guest Speaker (to be confirmed): Jeff (Jun) Wang, Chief Financial Officer, China Finance Online (NASDAQ: JRJC). MBA, Stern School of Business, NYU.

Brief Bio of the Instructor
Dr. Guohua Jiang is an Associate Professor of accounting at the Guanghua School of Management. He got his Ph.D. in accounting from the University of California, Berkeley, in 2002. Dr. Jiang’s research interests include financial statement analysis, securities valuation, and asset pricing. His research works have appeared in Review of Accounting Studies, Journal of Accounting and Public Policy, Journal of Business and Economic Statistics, International Journal of Accounting, as well as top Chinese academic journals.

Economic Development, Government and Business Environment
This part of module is intended to offer an informed and unique perspective into the evolving process of China’s economic transition from a planned regime to a market economy as well as China’s emergence as a modern day economic power. We will describe the chief features of current China’s economy in transition, major challenges lying ahead, and the overall business environments. Special attention will be paid to the political economy and institutional aspects of China’s transition (e.g., the incentive and behavior of local government officials and how to make deals with government officials), China-US trade relations, the uniqueness of Chinese economy distinguished from other developing or developed economies and important implications for doing business in China.

Brief Bio of the Instructor:
Dr. Li-An Zhou is currently an Associate Professor of Economics, Vice Chair of the Applied Economics Department, and Associate Director of the James Mirrless Institute of Economic Policy Research (IEPR). He obtained his bachelor and master degrees both from the School of Economics, Peking University, and a Ph.D. in economics from Stanford University in 2002. Prof. Zhou’s research interests include political economy, industrial organization, economic transition, and development. His research papers have appeared in the leading international economics journals, such as Journal of Public Economics, Journal of Health Economics, Journal of Development Economics, and top Chinese economics and management journals.

Local adaptation of MNCs in China
One of the most challenging tasks faced by MNCs is to adapt to local markets. China has a number of unique characteristics that make local adaptation important, including customer tastes, living habits, infrastructure, and government intervention. Through discussion using real cases, we shed light on how MNCs can successfully adapt to China’s uniqueness in terms of entry mode choice, location strategy, logistics design, and management of strategic alliances.
Entrepreneurship in China
This topic introduces the development of entrepreneurship in China, with an emphasis on three topics: 1) institutional background of Chinese entrepreneurship; 2) characteristics of Chinese entrepreneurs; and 3) financing issues for Chinese new ventures. Building upon this background knowledge, this module will further discuss how a foreign entrepreneur can open a new business in China, using real cases and videos.

Brief Bio of the Instructor:
Dr. Tiemin Wang joined the Guanghua School of Management at Peking University in Autumn 2006. She received her Ph.D. at London Business School, with specialization in the Strategic and International Management field. Her research interests are in the following areas. One area is to examine the impact of management team composition and decision-making processes on firms' strategic changes and performance. Another is to analyze the control and coordination mechanisms in international management. Currently, Tiemin teaches three courses at Guanghua. They are Strategic Management (MBA core course), Competitive Strategy (MBA elective), and International Management (MA core course). She received the teaching excellence award of Peking University in 2008.

Questions
MBA International Programs
Doing Business in… Office
intl@stern.nyu.edu
KMC 1-75

Telephone: (212) 998-0771
Fax: (212) 995-4606

Office Hours:
Monday - Friday: 9:00 a.m. – 5:00 p.m.

Walk-in Hours:
Monday – Thursday: 12:00 – 1:00 p.m.; 4:00 – 5:00 p.m.
Appointments: 24 hours in advance
### DBIC-NYU Program - Schedule (16-29 May, 2010)

**Tentative Schedule – Subject to Change**

| WEEK ONE | Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | 11 May | 12 May | 13 May | 14 May | 15 May | 16 May | 17 May | 18 May | 19 May | 20 May | 21 May | 22 May |
|----------|--------|--------|---------|-----------|----------|--------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 9:00 - 12:00 | 16-May | 17-May | 18-May | 19-May | 20-May | 21-May | 22-May | 10:30-12:00 Presentation | Orientation | Session 1 Zhang, Yichi | Session 3 Keh, Hean Tat | Session 4 Jiang, Guohua | Session 5 Keh, Hean Tat |
| 12:00 - 13:00 | 16-May | 17-May | 18-May | 19-May | 20-May | 21-May | 22-May | 13:00-14:00 | Lunch | Lunch | Lunch | Lunch | Lunch | 8:30 - 17:00 Great Wall & Summer Palace Lunch Provided |
| 13:30 - 16:30 | 16-May | 17-May | 18-May | 19-May | 20-May | 21-May | 22-May | 13:30-15:30 Mandarin | 13:30-14:30 Guest Speaker | 13:00 - 17:00 Company Visit Li Ning | 13:30 - 16:30 Forbidden City | 13:30 - 15:00 Guest Speaker | 15:30 - 20:00 Hutong Tour & Houhai Bar Street Dinner Provided |
| 18:00 - 21:00 | 16-May | 17-May | 18-May | 19-May | 20-May | 21-May | 22-May | Free | Free | Free | Free | Free | Free | Free |
## Tentative Schedule – Subject to Change

### WEEK TWO

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<thead>
<tr>
<th></th>
<th>Sunday</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
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<th>Saturday</th>
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<tbody>
<tr>
<td>Classroom</td>
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<tr>
<td>9:00 - 12:00</td>
<td>Class 6</td>
<td>Session 7</td>
<td>Session 8</td>
<td>Session 9</td>
<td>Preparation for Final Group Project</td>
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<td></td>
<td>Jiang, Guohua</td>
<td>Zhou, Li-An</td>
<td>Zhou, Li-An</td>
<td>Xia, Fan</td>
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<tr>
<td>12:00 - 1:30</td>
<td>Free</td>
<td>Lunch</td>
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<td>13:30 - 16:30</td>
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<tr>
<td>18:00 - 21:00</td>
<td>Peking Opera Dinner Provided</td>
<td>Free</td>
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<td>Free</td>
<td>Farewell Dinner</td>
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### Color Key:
- **Mandatory**: Lectures and company visits (42 hours)
- **Recommended**: Mandarin course (2 hours)
- **Optional**: Social events and Culture tour

### Tea break
- 10:30 - 10:45 a.m.
- 15:00 - 15:15 p.m. *(Offered when having class in the afternoon.)*