Asia LINK
The newsletter of the Asian Management Institute
Richard Ivey School of Business / Asia
The University of Western Ontario
IVEY

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Xiamen University and Ivey sign “Joint Case Development Collaboration” Agreement

In July 2013, Xiamen University (XMU) and the Richard Ivey School of Business Foundation (RISB) signed an agreement on Joint Case Development Collaboration. The collaboration is designed to leverage Ivey professors’ expertise on case writing which is highly needed in Chinese universities. XMU faculty and the faculty designated by RISB will jointly develop 10 cases in a four-year period and all cases will be registered with Ivey Publishing. The funds in support of this collaboration will be provided by Xiamen University and will reside with Ivey’s Asian Management Institute which will be responsible for project management. Ivey Professor Shih-Fen Chen will manage and coordinate this project together with representatives from Xiamen University.

Did You Know…

Awards

Eghbali-Zarch, M., (PhD Candidate), 2013, Palgrave Macmillan Best Paper Award, “MNE Dynamics, Distance, and the Role of Space and Place in the Organization of MNE’s Locations; Evidence from Japanese MNEs”, Association of Japanese Business Studies Conference.

New Asian Language Speaking Faculty at Ivey

Ann Peng

Assistant Professor, Organizational Behaviour
Language: Mandarin and Cantonese

Ann Peng joined the faculty of Ivey Business School as an Assistant Professor in July 2013. She received her Ph.D. in Management at Michigan State University and her masters degree from Lingnan University of Hong Kong. She has been involved in research programs in a range of OB topic areas including leadership, job stress, emotions, justice, ethics, negotiation, and intercultural interactions. Her primary research program focuses on leadership.

Kenneth T. Goh

Assistant Professor, Organizational Behaviour
Lauguage: Mandarin

Kenneth Goh is an Assistant Professor of Organizational Behaviour at the Ivey Business School. He earned his Ph.D. and M.Sc. in Organizational Behavior and Theory from the Tepper School, Carnegie Mellon University. Prior to joining Ivey, Kenneth worked in investment banking and co-founded an educational consultancy as a for-profit social enterprise. He also holds a B.Sc from The Wharton School, University of Pennsylvania and a M.Ed from the Harvard Graduate School of Education.

Within the Ivey PhD program, 16 of 72 (22%) current students are from Asian countries, including Mainland China, Taiwan, Pakistan, India, South Korea, and Vietnam.

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Ivey Case Teaching & Case Writing Workshops in Asia

Ivey has played a major role in introducing the case method to Asian professors and business schools. With the growth in the number of Asian business schools and MBA programs, and their increased emphasis on the case method, the need has never been greater for our expertise.

Case Workshops in India:

Case Workshop - International Management Institute, May 9-12; May 14-17, 2013

Case Workshop - Indian School of Business, May 4-6, 2013

Professor Jing'an Tang conducts Case Workshop at ZNUFEL

On May 31st 2013, Associate Professor Jing'an Tang, a long time Research Associate of International Business at Ivey provided a Case Workshop to the faculty team from Zhongnan University of Economics & Law and professors from other nearby universities.

The 2013 Peihua Sponsored "Tsinghua Case Workshops" Successfully Completed!

On July 15 – 19, 2013, almost 100 professors from 64 Chinese universities joined the Ivey-Tsinghua Case Workshop at Beijing, China. This workshop has been generously sponsored by Hong Kong Peihua Foundation and hosted by Tsinghua University. Ivey Professor Shih-Fen Chen delivered the workshops on Case Teaching and Case Writing.

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9B13N004

HAG's Singapore Note Issue

Sundaravaradhan Venkatesh

In May 2011, Hoang Anh Gia Lai (HAG), a leading real estate company in Vietnam, was going to issue US$90 million of senior notes (a debt instrument) in Singapore, due 2016. From the perspective of an analyst at a brokerage firm who was monitoring HAG, there were many questions of interest arising from the note issue. These included the cost of the debt and the reasons why HAG chose to raise the money in Singapore, and not in Vietnam. What was the cost at which HAG was borrowing through the Singapore note issue? Was HAG's level of borrowing, after the note issue, exceeding the optimal level? What was the likelihood that HAG would be downgraded within a year from its B rating from Standard and Poor's? How would the risk to HAG's equity be affected as a result of the issue? Would HAG's stock price decline? The brokerage firm analyst needed to decide whether her firm should offload its equity holding in the company.

9B13A025

Clearwater Seafoods - B2C in China

June Cotte , Ramasastry Chandrasekhar

Clearwater Seafoods, a Canadian shellfish enterprise, has four decades of experience in business-to-business (B2B) marketing. It harvests seafood, processes it and markets it in bulk to large restaurant chains worldwide. The company wants to pursue growth by marketing seafood directly to individual consumers (B2C) in China. The transition from B2B to B2C raises three fundamental questions. How can the company develop and deploy a go-to-market business model with Chinese grocery retailers? How can it balance its focus on margins with the Chinese retailers' focus on revenues? How can Clearwater establish differentiation as a source of competitive advantage in seafood retailing in China?

9B13C025

Ken Private Limited: Digitization Project

Rupali Pardasani , Asha Bhandarker

The COO of a global knowledge-outsourcing and technology-services firm based in the Philippines has been selected by his company's board of directors to step in and rescue a large-scale digitization project that is in danger of missing its rapidly approaching deadline. The project requires the firm to create digital archives of a daily American newspaper, spanning a coverage time of 150 years. With teams from two different countries paired to work on this significant venture, things quickly go awry on several levels as a result of misunderstandings about client expectations, lack of employee training (both from a standpoint of cultural awareness and with respect to the use of new technology) and poor project management. The COO must quickly develop an action plan to address these issues and ensure the success of the project in the face of an ultimatum from the client: deliver the project on time or lose it completely.

9B13M079

Coca-Cola: Back in Burma

Tatiana Lukoianova , Christopher Williams , Carolyn Burns

Coca-Cola has announced the opening of its first bottling plant in Burma in almost 60 years. Since 1962, Burma has been a closed and isolated country and under military rule. As a result of the military's steady relinquishing of control over the government, Burma has begun opening its doors to international trade and investment. However, political instability is still very high and economic development is far from secure. Furthermore, although a framework agreement between the U.S. and Burmese governments has been signed, a bilateral investment treaty to provide protection for Coca-Cola's direct investment is not yet in place. How should Coca-Cola pursue its strategy in Burma?

9B13C023

Human Resources Practices and the Labour Market in Japan

Derek Lehmberg

Human resource (HR) management practices in Japan are significantly different from those in Europe and North America. A knowledge of the traditional Japanese HR system, including practices relating to recruiting and compensation, unions and the labour market, is crucial for foreign companies operating in Japan as well as those seeking to do business with Japanese firms. While Japan's distinct HR system was once considered a source of competitive advantage, changing economies and labour markets have called its current effectiveness into question. The traditional system primarily provided stable long-term employment for full-time employees; however, for a variety of reasons, non-regular forms of employment, including part-time and short-term positions, are on the rise. HR managers in Japan must consider relevant societal and economic changes and develop more effective HR systems in response.

9B13TD02

Taking the Leadership Leap: Developing an Executive Pipeline for India's Future

Viren Doshi , Jai Sinha , Gaurav Moda , Anshu Nahar

Though the leadership deficit in India is widely recognized, few companies have successfully addressed it. The challenge manifests itself in a quantity deficit, where few qualified candidates for managerial positions exist and leaders do not retire soon enough; an experience deficit, where young, inexperienced managers are launched into senior positions; and a talent war, where competition for talent is intense and companies realize that leaders they have cultivated could be hired by rival firms at any time. The main causes of India's leadership challenges are a) demographics: India is a young nation lacking a large supply of experienced leaders; b) the booming economy: the pace of growth has placed great demand on the supply of talent; and c) a technology mindset: Indian business leaders

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have focused on developing technology rather than people. Building leaders from the bottom up involves five steps: 1) Invest in senior management effectiveness; 2) Set up feeder roles and successor pools among the next tier of leaders under the top team; 3) Manage the technical ladder; 4) Identify and promote high-potential employees; and 5) Build quality cadres at the junior level.

9B13TD04

Chinese State-Owned Enterprises in Africa: Entrepreneurs for the Long Arm of the State?

Daouda Cissé

China, whose most active multinational companies are state-owned enterprises (SOEs), is actively investing in various sectors overseas. While the role of the Chinese government in the global expansion of Chinese multinationals is significant, government support should not be confused with firms' own goals. In Africa, Chinese investments have been mostly in sectors such as infrastructure and energy, but investors have recently become interested in services and manufacturing. Chinese telecom firms in Africa enjoy advantages linked to China's political economy agenda, while Chinese resource companies also have a large stake in Africa. Western commentators tend to speak of "the Chinese" as a single, resource-hungry entity and rarely mention that vast amounts of oil extracted by Chinese firms are sold on the international market. Although strong ties exist between the Chinese government and Chinese national oil companies, similar linkages have often existed in the West. This article argues that Chinese SOEs are hybrid organizations that receive exceptional assistance from the state but also function as private companies competing against global corporations and against other Chinese firms.

9B13TB06

Chinese State-Owned Enterprises in Africa: Myths and Realities

Namukale M. Chintu , Peter Williamson

Though China's foreign investment in Africa is still relatively small, it is growing at a phenomenal rate and attracting international attention. Investment is especially pronounced in the mining and energy sectors, as China consumes a quarter of the world's annual production of minerals and Africa accounts for thirty per cent of the world's mineral reserves. This article views China's foreign investment in Africa through the lens of the mining industry and argues that supply and demand considerations, not political factors, are the primary drivers of Chinese investment. China has designated seven Special Economic Zones in Africa that make broad contributions to economic development in various countries by supporting industries ranging from seafood processing to the production of ceramics, textiles, medicines, and furniture. Various large infrastructure projects exist, like the 2008 Sicomines resource-for-infrastructure deal in the Democratic Republic of Congo. With $6 billion earmarked for road, railway, and water projects, it will represent the largest infrastructure upgrade in Congo since colonization. Western investors, meanwhile, face pressure from shareholders to keep activities focused and are narrower in their infrastructural contributions. On the negative side, Chinese state-owned enterprises are insufficiently transparent (e.g. in the reporting of local tax payments). Their environmental record invites scrutiny, and some critics argue that Chinese SOEs show a laissez-faire attitude and exploit weak institutional structures. Ultimately, the reality of Chinese foreign investment in Africa is neither one of "saints nor sinners."

9B13TA03

One Billion People, One Billion Opportunities

Deepak Kukreja

Before the 1990s, wealth and power in India was highly concentrated in a few business families, the License Raj system stifled growth, basic necessities were in short supply, and the nation verged on defaulting. However, India would soon eliminate the License Raj, shift to exports and more free-market policies, and boost its literacy. The massive size of India's population — including a middle class of 390 million in 2009 — is now an asset.

India's progress has seen the explosive growth of various industries. The information technology (IT) and IT-enabled services industry has grown to $100 billion in 2011 and India is the world's largest player in offshore delivery. This growth was due to a labour cost advantage and a talented pool of human resources. However, the industry is maturing and climbing the value chain to higher margin services such as consulting and niche services. Similar to the IT industry in the 1990s, the telecommunications industry in India has grown exponentially in the new millennium. The prime engine of India's economic growth, it boasts 800 million mobile phone subscribers and revenues of $68 billion. A key impediment to India's growth is power scarcity, with more than 60 per cent of rural households lacking power. The government has launched an ambitious solar energy plan and the sector has been granted subsidies and access to bank financing. Different approaches to solar include village-owned power grids and pay-per-use models. Firms that embrace India's rapid development will be able to create viable and scalable business models around its many opportunities.

9B12TF02

What Japanese Companies Must Do To Create a Second Economic Miracle

David O'Gorman

By the late 1980s, Japan was the second-largest economy in the world, in part due to its ability to produce high-quality products like automobiles. But the Japanese Miracle, which had begun with Japan's quick economic recovery after the Second World War, ended abruptly in 1990. This article suggests that Japan, while excelling at reverse engineering and incremental product improvements, must boost innovation in order to thrive. It attributes Japan's innovation deficit to its culture of harmony, which affects decision making. Japan's "nemawashi-ringi" decision-making process involves preparing the groundwork for a new proposal, including talking with those affected by the proposal, getting their feedback, and modifying the proposal. Unfortunately, this process is slow, focuses on incremental improvements, and suppresses innovation. A better process should be compatible with Japan's culture of consensus building, should foster knowledge creation, and should fit a centralized, hierarchical firm. Top management should encourage the formation of self-organized groups (the engines of innovation) and use a Rapid Evaluation of Ideas process. This includes a group formulating a proposal on a specific problem, identifying stakeholders, preparing a list of assumptions for each stakeholder, assessing these assumptions' "Importance" and "Certainty," plotting assumptions on a two-dimensional scale, analyzing the plot and identifying the next steps, collecting more information, meeting a week later after gathering information, and determining the next steps.

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