GLOBAL BUSINESS
@ UT DALLAS

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Mr Global Business welcomes you!

From Global Business to Global Strategy

European (EMEA) adaptation (Peng & Meyer) and innovative paperback (GLOBAL)

Global Strategy: Spanish & Portuguese editions

Global Business in India & China
Two editions in China
(Chinese only and Chinese-English bilingual)

INTERNATIONAL BUSINESS:
business (firm) that engages in
international (cross-border) economic
activities or the action of doing
business abroad

GLOBAL BUSINESS: business
around the globe, including both
international (cross-border) activities
and domestic business activities.

UTD’s hottest new major:
Bachelor of Science in
Global Business
(School of Management)

• 2010 (launch year): 60 majors
• 2011 (2nd year): 230 majors (283% growth!)

Why is Global Business so hot?

• Because studying global business makes you
  smarter, wiser, more global—and more employable

• Because UTD is a global center of excellence in
global business studies (which we call international
management studies—course listing IMS)
  • One of the few universities in the world that has BS, MS, and
    PhD programs in this exciting area

Global business is also about
local business

HSBC (one of the largest and
most global banks) calls itself: The
world’s local bank

LESSON:
Think global, act local

The world’s number one
academic management journal that is
in Asia, on Asia, and of Asia—
edited right here

Source: Issued by HSBC Holdings plc
In Oaxaca, Mexico, too

A major theme in the 21st century: Understanding Brazil, Russia, India, and China (BRIC)

Contributions of BRIC + other emerging economies

BRIC multinationals in Fortune Global 500
CASE 1: Huawei
- US headquarters in Plano, TX
- Cisco vs. Huawei
- If you lost a job @ Nortel, find a new job @ Huawei!


Huawei’s rapid internationalization (in US$ billion)

China goes global
The significant outward foreign direct investment (OFDI) made by Chinese multinational enterprises (MNEs)

(Harvard Kennedy School keynote, 2009)

How the world sees China
- Historical racism, modern prejudice
- Chinese arrogance (+ ignorance) does not help
- Chinese firms eyeing US banking and oil assets: No way!
- Chinese bid for Rio Tinto: No, thanks!

Media sensation continues (11/11-19/2010)
The math simply doesn’t add up if 1% of global OFDI can “buy up” the world
“China on steroids” (2010) versus “China on the verge of collapse” (Chang, 2001)

Despite the provocative title, this book is not alone.

As recently as in 2007, China was viewed as “so broken” (thanks to toy recalls, endemic corruption, and spreading eco-crisis).

What happened to the “Japan on steroids” literature (Japan as No. 1—1979)?

Lesson: Don’t uncritically believe in today’s media.

Conclusions from research on Case 1

- Foreign direct investment stock from China is tiny
  - 1.46% of world total, and only 0.031% of world total came to North America—1.46% x 2.11%
  - Can hardly threaten any country
  - U.S. companies have 16 times that much FDI stock
  - FDI always has both pros and cons
  - What does the U.S. economy need? Investment and jobs!
  - What does Chinese FDI bring?

Fortune (05/24/2010): “In states like TX, SC, and NV, China is building factories and—lo and behold!—creating American jobs”

When Chinese deal failed, HUMMER had to be liquidated.

My advice: Here is a better way to view the complex relationship: The ODD COUPLE (the G2) who have to work (sleep!) together.

The most important relationship today and tomorrow.
CASE 2: Tata

- The Tata Nano: The world’s cheapest car ($2,000-$3,000)
- Jaguar and Land Rover acquisitions
- Post-acquisition headaches

Conclusions from research on Case 2

- Global business is now a 2-way street
- It is no longer just about UK firms investing in India
- It is also about Indian firms investing in the UK
- What is the largest private sector employer in the UK?
  - Surprise: Tata (45,000 UK employees as of 2011)

CASE 3: GE innovates from India and China

(GE's Mac 400 ECG machines developed in India)

- GE's portable ultrasound machine developed in China and for China
- Innovations developed in China and India have worldwide appeal
- REVERSE innovation

Conclusions from research on Case 3

Reverse innovation isn’t optional; it is oxygen—Jeff Immelt (GE CEO, 2009)

- If GE doesn’t come up with innovations in poor countries and take them global, new competitors will
- GE has tremendous respect for traditional rivals like Siemens, Philips, and Rolls-Royce. But it knows how to compete with them; they will never destroy GE.
- By introducing products that create a new price-performance paradigm, however, the emerging giants very well could.

So, why study Global Business?

- (Even though you may not want to major in Global Business or any SOM major) To enhance your critical thinking skills—don’t be fooled by today’s media
- Obviously to enhance your employability and advance your career
- But, don’t forget about your larger social responsibility
Global business is more than about making a buck, it is more than economic—it serves to preserve world peace

- The most noble goal of enhancing trade and investment linkages around the world
- Buyers and sellers are not likely to kill each other
  - When the US cut off oil sales to Japan (in protest of Japanese aggression in China), Japan attacked Pearl Harbor
- The EU preserves peace in Europe

My personal journey to become Mr. Global

- Shanghai International Studies Univ (1986-88)
  - Major: International Trade and Economics
- Winona State University, Minnesota (1989-91)
  - BS in Business Administration
- University of Washington, Seattle (1991-95)
  - PhD in Business Administration (1996)
  - Overall, studied at 3 universities with 2 degrees

My six years @ UTD

- Published 2 (out of 5) books and 58 (out of 90) articles in academic journals
  - #1 contributor to *Financial Times* list of top journals
- Served one term as Editor-in-Chief at the *Asia Pacific Journal of Management*
- Excited to be a part of the growing excitement at UTD, evidenced by rising rankings in research, EMBA, MBA, and undergraduate programs
- Helped launch the new major in Global Business

The journey continues

- University of Hawaii (1995-97)
  - 1st job as an assistant professor
- Chinese University of Hong Kong (1997-98)
  - 2nd job as a (visiting) assistant professor
- Ohio State University (1999-2005)
  - 3rd job as an assistant professor, tenured associate prof (2004)
- UTD called with full professorship in 2005
  - UTD created Provost’s Distinguished Chair (!)
  - Overall, served at 4 universities as a faculty member

Awards and Honors

- National Science Foundation CAREER Award (2003-09)
- (Lifetime) Distinguished Scholar Award, Southwestern Academy of Management (2010)
- US Small Business Administration (SBA) Best Paper Award (2008)
- Hot Paper Award, Science Watch (2010)
- Reported by UTD Daily News Center (3 times)
- Research quoted by *Economist, Smart Business Dallas, World Journal, Business Times* (Singapore), *Sing Tao Daily* (Vancouver), and *Brasil Econômico* (São Paulo).
Speaking engagements
• Leading academic conferences: AIB, AOM, AAOM, and SMS (every year)
• Harvard Univ Kennedy School of Govt conference
• Pacific Forum, Vancouver, Canada
• Multinationals from AstraZeneca to TI
• Leading universities in Australia, Brazil, Canada, China, Hong Kong, Japan, Singapore, Taiwan, and the UK

School of Management have sponsored 14 trips in the past 15 years:
To name a few ...
• India
• South Korea
• Poland
• Italy
• Germany
• Denmark
• Mexico
• Argentina
• Turkey
• China
• Taiwan
• South Africa & Zimbabwe

Trip to India – August 2010
Gateway of India, Mumbai, India

UTD students in Istanbul, Turkey

UTD students in Poznan, Poland

JTD students in Forbidden City, Beijing
UTD students at Great Wall

UTD students at a corporate visit in Shanghai

UTD faculty and students saluting Mandela
Harare, Zimbabwe, 1996

“Twenty years from now you will be more disappointed by the things you didn’t do than by the ones you did do. So throw off the bowlines, sail away from the safe harbor. Catch the trade winds in your sails.

Explore. Dream. Discover.”

~Mark Twain

GO GLOBAL!

For additional information and today’s slides:

www.mikepeng.com
www.utdallas.edu/~mikepeng

For BS in Global Business
(and MS in International Management Studies):

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