MANAGING GLOBAL OPERATIONS

Introduction

There are many reasons why companies go global in their operations: growth (finding new, untapped markets for the company existing products), efficiency (looking for economies of scale or economies of scope, using lower cost resources), knowledge (getting skilled labour and talent in other countries, acquiring technologies), competition (grasping first mover advantage in the new markets), etc.

The trend towards globalization usually occurs at selected stages of the value chain. Either the company decides to enter a new market in a different country and start by opening a representative office or a distribution center, or it decides to procure its products and services internationally and sets up a purchasing unit in closer to the new suppliers, or decides to outsource part of the production.

But if the company is successful in its growth strategy it will likely end up having to manage operations in a global context.

The course will leverage on the fact that it is taught in Shanghai and use China as an example, so, we will explore global operations issues both for Western companies operating in China and for Chinese companies going to Europe or America. You will have the opportunity to contact with managers of companies based in those areas.

Objectives

Understand the key concepts and issues of managing operations in a global context, both for manufacturing and service companies. Explore the globalization strategies of different companies and discuss with some of their leaders the learning points after applying some of these strategies.

Learning Outcomes

After the course, participants will understand the key concepts and issues of managing operations in a global context, both for manufacturing and service companies. They will be able to dissect the globalization strategies of different companies and have relevant discussions with their leaders regarding the current trends in operations globalization.
Competences

- Understand the changing trends of globalization of operations in firms around the world, having a working knowledge of how to analyze a decision to move globally or stay local, the rate of change, the need to re-localize some operations, etc.
- Being familiar with and able to contribute to the management of operating facilities in different cultural environments

Content

The following issues will be covered during the course:

- Factory networks: roles to play and how to optimize knowledge sharing.
- The reversing offshoring trends. Is manufacturing and service delivery returning to Western countries?
- The globalization of solutions. How companies that decided to move from offering products to offering solutions are facing their global growth.
- The globalization of sourcing, manufacturing, selling, distributing and servicing.
- Globalizing from a developed country to an emerging economy, and vice versa. What are the key challenges?
- Managing quality in a globalized supply chain network: preventing problems, inspections and recalling defective products.

Methodology

This intensive course (two full dedicated days, from morning to evening, and a half day) will consist of case studies, lectures, presentations by managers, panel discussions, and visits to local companies.

Evaluation

Participation in the activities and a summary of the learning log that the participants will complete during the course.

Course Outline

In designing the outline we need to keep the flexibility to take advantage of the upcoming opportunities, so it is difficult to establish a predefined outline. In previous years, we have visited (or had visitors from) the following companies:

- Chervon
- Nader
- Roca
- Nokia Solutions Networks
- Olympus Shanghai
You can expect something similar in this year’s program.

<table>
<thead>
<tr>
<th>Title of Session &amp; Material</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
<tr>
<td>10</td>
</tr>
</tbody>
</table>

### 1. China business trends
- InterChina Inside: Bigger is no Longer Better
- Woetzel, J., Five myths about the Chinese economy, McKinsey Quarterly, Nov. 2015
- Towson, J. & Woetzel, J., All you need to know about business in China, McKinsey 2014

### 2. Supply Chain risks
- Case: KEL673 Nokia’s Supply Chain Management
- Huang, M. H., Eliminate the middleman?, HBR, March 2006

### 3. Global supply chains
- Case: KEL725 Polaris Industries Inc.
- Farrell, D., Smarter Offshoring, HBR 2006

### 4. From China to the world
- PN-498-E Sourcing from China - Insights from a manufacturer

### 5. Maritime logistics: connecting the world
- IIR072 Ribera & Castillo, Untangling the knots in the New Silk Route, Expert Insight IESE

### 6. World class manufacturing in China
- Locke, R. & Romis, M., Improving work conditions in a global supply chain, MIT Sloan, Winter 2007

### 7. Globalization of a Spanish company: the case of Roca

### 8. Factory networks
- Ferdows, K., Shaping Global Operations. GCG. 2009 Vol. 3 No. 1

### 9. Globalization of Chinese companies

### 10. Supply chains for global luxury products
Professor Biography

Prof. Jaume Ribera
Professor of Production, Technology and Operations Management

Chair of the Operations Department, IESE Business School
Director of CRHIM - Center for Research in Healthcare Innovation Management
Port of Barcelona Chair of Logistics, CEIBS, China

Prof. Ribera served as Deputy Dean of Faculty at IESE Business School from 1993-2001. He is a founding member and past president of the European Operations Management Association and was formerly secretary of the U.S. Operations Management Association. He served on the editorial board of the International Journal of Operations and Production Management and is currently on the Editorial Board of the Harvard Business Review China and the Japanese Operations Management and Strategy Association (JOMSA) journal. He has published teaching materials (case studies, technical reports and electronic workbooks), academic research (Transportation Science, International Journal of Operations and Production Management, etc.) and casebooks and textbooks on these topics.

Prof. Ribera has been active in consultancy in operations management, supply chain management and project management and has extensive experience of working with private and public companies in different sectors (textile, pharmaceutical, automotive, electrical components, etc.). He has also participated as a consultant and project manager in health sector management projects in Spain, the European Union, Central and Eastern Europe, and South America with private, public, EU and WB financing. He was the president of the Board of Caixa Terrassa, Unnim Caixa and Unnim Banc, and is currently chairing the charity foundation which evolved from these institutions.