International Seminar: Mumbai, India
December 16-20, 2014

Contact Information
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COURSE DESCRIPTION

The Indian economy is a paradox. On the one hand, the country seemingly has the conditions necessary to transition to a modern economy. It is a vibrant democracy that enables its citizens to hold government accountable, it has a talented and entrepreneurial workforce, and its population is becoming younger over time. Yet economic growth has stalled in recent years. There are many headwinds impeding sustained growth: undeveloped infrastructure, rampant corruption, weak contract enforcement, macroeconomic policy uncertainty, and high rates of poverty. The 2014 election that voted India’s dominant party out of power has been seen by many (but certainly not all) as a catalyst for change.

This course analyzes India’s economic paradox. Our week in Mumbai combines classroom modules, company visits, and guest speakers to study the challenges of doing business in India. The classroom modules will provide a framework for understanding the Indian economy, as well as examine the key challenges that multinational firms face when entering the Indian market: corruption, product-market adaptation, weak intellectual property and input market frictions. The company visits and guest speakers will provide an on-the-ground perspective from leading Indian and multinational companies operating in India. We will also meet with organizations engaged in tackling some of India’s most pressing societal challenges, such as education and access to credit.

By the end of the week, you will have a deep understanding of the challenges that multinationals face when entering markets like India, as well as an informed perspective of the salient issues facing the Indian economy today.

REQUIRED COURSE MATERIAL

The course will also draw from lecture notes, case studies, academic articles and newspaper reports. Readings will be made available on Canvas.

METHOD OF EVALUATION

Your performance will be evaluated by participation, assignments and a final project. Final grades will be assigned according to these dimensions:

1. Class participation (30%)
2. Group Assignments (40%)
3. Final Project/Presentation (30%)
There is a maximum of three students per group (no exceptions will be made. If there is a singleton group, I will ask one person from the remaining groups to peel off). It may be beneficial to find a native speaker for your group, but given the pervasiveness of English spoken in Mumbai, language should not be a major constraint. If you cannot find a group, please email me and I will find one for you. Please email me your groups by November 15, 2014.

**Group Assignment 1: Tailoring Products for the Indian Market**

Find a product that is sold in India by a U.S. (or another Western-based) MNC. Analyze how the product has been adapted to local conditions. You should pay close attention to differences in product characteristics and manufacturing details, package size, price, consumer segment, marketing and distribution. What one question would you ask to firm’s product manager regarding the company’s strategy? Prepare slides (max of 7 slides) describing the product, the nature of the adaptation, and critiques of the approach. **We will discuss your findings on Wednesday 12/19.**

**Group Assignment 2: Efficient Organization?**

Please take a look at this picture of fruit stalls on a roadside in India. This scene is replicated across India and across the developing world. You should find a similar cluster of stores selling the same items (e.g., fruit stands, food products (a trip to Juhu Beach might be interesting), kirana shops, pharmaceuticals, book stores, metal products, sari shops, bangal shops, etc.), and answer the question the following questions:

Would consolidation lead to efficiency gains?
A. If so, what is preventing consolidation of these stores that could potential
B. If not, explain why having many small stores selling the same product in a particular location is optimal.
C. What small-scale consulting advice would you provide to these firms?

Prepare slides (max of 7 slides) describing the setting and your answers to these questions. **We will discuss your findings on Thursday 12/20.**

**Group Assignment 3: Innovation in India**

In this assignment, your group will propose a business idea to tackle one of India’s many social problems in education, banking, infrastructure, public utilities (water, electricity), transport, environment and so forth. The goal of the project is to stimulate a conversation about a specific problem, to explore the market failure and to discuss if (and what) role private-sector enterprises could have in improving the situation.

Prepare slides (max of 7 slides) describing the setting and your idea. **We will discuss your findings on Friday 12/21.**
Final Project – Managing India’s Uncertain Policy Environment

Find a company with significant operations in India and identify specific policy change that has affected this company in the recent past (ie, the past 15 years). This company could either be an Indian firm or a multinational company with operations in India. The only requirement is that you are not currently employed by this firm—this requirement allows you to analyze the company free of any potential bias. Such policy changes might include: opening up to foreign direct investment, changes in tariffs, monetary policy that induced changes in the exchange rate, zoning laws, changes in land titling and agricultural clearance laws, development of special economic zones, policies that directed or subsidized credit to the firm or industry, liberalization of the banking sector, development of new ports and roads, etc.

Did the company anticipate the policy change? If so, did it lobby for particular changes? How did this policy change affect the company’s domestic operations (sales, employment and retaining talent, investment, financing) and/or overseas operations (ie, through the policy’s potential affect on exchange rate changes). Going forward, what are the main policy constraints that the company faces?

If you cannot identify any particular policy/regulatory change that has affected the company, please discuss extensively the current regulatory environment that affects the company in India. If the company could implement one policy change, what would it be? Who would be the winners and losers? How would the company re-structure along the lines discussed above?

The best projects are ones that utilize both secondary and primary sources, so you might want to consider analyzing a company that you would be able to interview (in person or on the phone). You may be able to do much of your research prior to arriving in Mumbai, and I will give you a chance to work on the projects together in class on Friday 12/20.

Alternative Project Option
The second project option is to focus on one particular economic issue facing India today, and how it will affect the country’s economy (and possibly the world economy). Some of the issues that are likely to be of interest are India’s demographic profile, corruption, infrastructure, discrimination, education policy, misallocated capital or internal migration.

Deliverables:
- The slide deck
- A short writeup (max 5 pages) is due 11:59pm December 31, 2014.

Final presentations (max 15 minutes) will be held on Saturday 12/20/2013.

CBS HONOR CODE

This course will strictly adhere to the academic conduct guidelines discussed in detail at http://www0.gsb.columbia.edu/honor/resources.html.

Columbia Business School’s Honor Code: As a lifelong member of the Columbia Business School community, I adhere to the principles of truth, integrity, and respect. I will not lie, cheat, steal, or tolerate those who do.
Schedule
(incomplete and subject to change)
*indicates requires readings

Classroom sessions:
  a. India’s Economic Liberalization
  b. International Expansion in India
  c. The Hold-Up Problem and Intellectual Property Rights
  d. Cross-country Differences in Management Practices
  e. Corruption

Company visits TBA