



# International Business Application-Based Activities

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## Application-Based Activities Descriptions

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<p><b>Accounting and Finance Initiatives at Java Jolt</b></p> <p>Java Jolt is a medium-sized company with a mission to encourage people to take the time to slow down, share a latte with friends, read in a warm and comfortable environment, or just sip a frozen coffee while letting the world pass by. The company opened its first store near a large university in the Midwest about 20 years ago after the founder and his friend realized that they never took time to slow down and enjoy life. Since then, the company has grown to have stores in 30 different states and 5 countries. Each store is designed to offer customers a similar inviting experience. Currently, the company is exploring investment options in several new foreign cities.</p>	✓	✓	✓
<p><b>Analyzing National Differences in Economic Development</b></p> <p>Ingrid Peterson is Head of Operations for CLEAN, a German startup producing electric vans and buses. Ingrid worked for a large traditional automaker for more than two decades before jumping ship to CLEAN. Ingrid was intrigued with CLEAN's goals of focusing on producing high quality multi-passenger and delivery electric vehicles, a segment of the market that she believes is currently underserved. CLEAN's strategy has been to establish micro factories in locations where it can quickly get production up and running. CLEAN initially chose a strategy of micro factories because of their lower start-up costs but has since realized that having multiple small factories located across different regions greatly reduces overall production costs.</p> <p>Each micro factory serves the surrounding market. The CLEAN line of vans and buses has expanded from its original minibus and Amazon-style delivery van to include taxi-style minivans and larger vehicles capable of a bigger delivery range. So far, CLEAN has focused on different markets in Europe, setting up micro factories in Ireland and Poland, as well as the United States where it has a micro factory in Kentucky. Now the company wants to expand into Africa. Senior executives at CLEAN believe that Africa is an untapped opportunity for electric van makers and believe that getting in before the competition could be a valuable first-mover advantage. However, they know that doing business in developing countries could present very different challenges from those they've experienced in Europe and the United States.</p> <p>Ingrid is leading CLEAN's initial analysis of Africa. As part of her research, she wants to better understand levels of economic development in the different countries in Africa and what they will mean for CLEAN's ability to set up production facilities and sell its vehicles in the region. She knows that some countries are developing faster than others and thinks that choosing a country that is experiencing a more rapid rate of economic development could be a great option for the next CLEAN micro factory.</p>	✓	✓	✓

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<p><b>Differences in Political/Economic/Legal Systems</b></p> <p>Frustrated by the lack of hair products that worked for her, Omari James began developing her own shampoo and conditioner in her kitchen using ingredients she bought at local farmers markets. After getting compliments about how nice her hair looked, Omari began selling her products to others. Today, SAFI Hair Care products are a cult favorite in the United States and Canada. Omari chose the word “SAFI”, which means pure in Swahili, to honor her mother who moved to the United States from Africa before Omari was born.</p> <p>SAFI Hair Care products are still made in small batches although production has moved from Omari’s home to a small facility nearby. Now, Omari wants to take her product to Africa. Recent reports suggest that demand for natural hair care products like SAFI Hair Care are driving growth in the market, putting Omari’s company in an optimal position to build the same loyal following it has in the United States.</p> <p>While Omari would like to focus on her mother’s native country, Uganda, she knows that other countries may offer better opportunities. Omari plans to produce her products locally using local ingredients. She believes that doing so will help her convince buyers that her products are different from the competition and at the same time, make her business attractive in that it will provide jobs for locals. Omari has been discussing the funding she will need for her venture with several agencies supporting business development in parts of Africa.</p>	✓	✓	✓
<p><b>Ethics: Introducing the Green Machine</b></p> <p>Green Machine is a small start-up with big hopes for the future. The company, the brainchild of founder Steve Peng, builds electric vehicles designed to make those seeking superior performance and handling smile, while at the same time, exceeding sustainability expectations. Green Machine introduced its prototypes at the Global Car show last year and immediately began taking orders for its vehicles. The company has financial backing from several venture capitalists and has garnered interest from established automakers looking to join forces with the firm. The first Green Machine is set to roll off the assembly line in just a few weeks.</p>	✓	✓	✓
<p><b>Exporting and Importing at California Honey – Catch the Buzz!</b></p> <p>California Honey, a successful family-owned business located near Big Sur in California, got its start about five years ago when founder Karis Woodson sold her first bottle of organic honey at a roadside stand at the end of her driveway. Since then, sales have exploded and what had once been a fun backyard hobby has turned into a thriving business with multiple employees and a production center located on the Woodson family farm. Despite the rapid growth of her business, Karis has ensured that the values that she started with have continued. Every product sold contains honey or beeswax from hives on the property. Products are strictly organic and contain no artificial ingredients.</p>	✓	✓	✓
<p><b>Global Culture: Expanding Cultural Knowledge</b></p> <p>Your work for Vivia Health &amp; Beauty, an industry leader in the premium health &amp; beauty industry. You have been selected to go to an international trade show in Paris, France. At the conference, you will have the opportunity to meet a few of your colleagues from around the world and to meet with a customer from the Netherlands.</p>	✓	✓	✓
<p><b>Global HR: Taking MyHome Bank to India</b></p> <p>MyHome Bank is a financial lending institution that has found its niche in banking by focusing on customers that typically carry small balances and appreciate the personalized service they receive at MyHome Bank, service that is usually available to only bigger customers in larger banks. Executives at MyHome Bank believe that the growing middle class in India represents an ideal market for expansion.</p>	✓	✓	✓
<p><b>Global Marketing: Vitality Cleanse Takes on Europe!</b></p> <p>Vitality Cleanse sells organic detox beverages made from concentrate. Sales in the United States have been strong, but there is concern that as more competitors enter the market, revenues will fall. The company’s management team feels that expanding overseas would diversify sales and generate a more stable earnings flow. In a signal of its commitment to international expansion, a new position of Director of International Business has been created.</p>	✓	✓	✓

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<p><b>Market Entry: Gelato Pergola</b></p> <p>Maria, the owner of Gelato Pergola, wants to expand outside Italy. She has asked you to help her explore some possible markets and identify the best options.</p>	✓	✓	✓
<p><b>Optimizing Organizational Architecture and Strategy</b></p> <p>Exairetikós Hotels is a small chain of high-end boutique hotels for discerning travelers. Until recently, Exairetikós Hotels operated only within North America. With locations in places like Montauk, New York, and Montecito, California, Exairetikós Hotels provides its guests with carefully curated experiences. At Exairetikós Hotels Montauk, the first of the Exairetikós brand hotels, guests are treated to beachfront accommodations, fresh local lobster, and a peek at the lifestyle of the Hamptons. At Exairetikós Hotels Montecito, guests are offered a luxury winery experience. Staying in a large “house” next to the vineyards, guests enjoy a chance to learn about winemaking, different types of wine, and participate in wine tastings. The Exairetikós Hotel concept is simple, provide guests with a high-end, personally curated experience that reflects the local area. Each Exairetikós hotel is designed to feel like a luxury home rather than a hotel, and guests are encouraged to act as though they are staying in their own home and to interact with other guests staying at the property.</p> <p>Following the success of Exairetikós Hotels in North America, the company recently expanded to include select locations across other parts of the world. To ensure the new locations were a good fit for the Exairetikós brand, managers chose the hotels after staying at the properties themselves. The financial situation and expected sales at each hotel were also carefully vetted to ensure that the experience offered to guests would also be profitable to the company. The new locations include Exairetikós Hotels Kenya, which offers guests luxury African safaris complete with drives to see the Big Five animals, sunsets on the balcony overlooking an animal watering hole, and a chance to meet with local villagers; Exairetikós Hotels Maldives, which offers guests snorkeling trips to see the famed colorful coral reefs, a sunset dolphin cruise, and a visit to the local market; and Exairetikós Hotels Austria, which offers guests an incomparable mountain ski trip including instruction from an Olympic medalist, a chance to learn about local apres-ski cuisine, and some of the best skiing in the world. Executives at Exairetikós Hotels believe that one of the most important elements in its success and what differentiates the chain from others is its ability to allow each hotel to reflect the local vibe, giving guests a truly local experience.</p>	✓	✓	✓
<p><b>Strategy: Catching the Wave at Endless Summer Brewery</b></p> <p>Endless Summer Brewery, an award-winning craft beer maker located in Southern California, has long had a loyal local following. The brewery gained national recognition after being featured as the craft beer of choice for several high-profile West Coast celebrity athletes. The company was founded by former competitive surfer Erik Larsson in 2012 following his retirement from his sport. Erik’s laid-back approach to life is evident in the company’s corporate culture and strategy. Early in the brewery’s existence, Erik made handshake agreements with bars and restaurants in Southern California to carry his product, agreements that endure in their loose form today. Indeed, it is not uncommon for business to be conducted during an early morning surf outing. Erik’s business style is legendary among other craft breweries and helps to set his product apart from others.</p>	✓	✓	✓
<p><b>Student Packs: Navigating a Global Marketplace</b></p> <p>Student Packs has been producing and selling backpacks to students for the past 8 years. Initially the company was focused solely on the domestic market but has since expanded its reach to several markets in Europe and Asia. The rollout of Student Packs to foreign customers came after the company began getting orders from foreign students who had spent time studying on U.S. campuses. These students were familiar with the product and had shared it with their friends in their home countries. Student Packs has established a multinational supply chain with the fabric and zippers used to construct the packs being sourced in China and exported to the United States.</p>	✓	✓	✓

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<p><b>The Implications of Regional Economic Integration</b></p> <p>Swedish Home Designs, a large multinational company selling Scandinavian-inspired flat pack furniture, has a complex supply chain involving retail outlets scattered in city centers across North America, Europe, and parts of Asia and Africa. Serving those retail outlets are several centrally located distribution centers, each responsible for receiving product from the company's production facilities in Vietnam and China. In addition, each distribution center delivers product to its assigned retail outlets, typically comprised of stores located nearby, and fills regional online orders. The system has been in place for nearly a decade. During that time, advances in technology have allowed Swedish Home Designs to automate much of its warehouse work and implement sophisticated product tracking software.</p> <p>Since it opened, Swedish Home Design's UK-based distribution center has been responsible for distributing goods to the local markets of England, Wales, Scotland, and Northern Ireland. In addition, the distribution center serves the Benelux countries of Belgium, Netherlands, and Luxembourg and is capable of increasing capacity to distribute into other European cities as needed. Online orders have been steadily increasing at Swedish Home Designs and now represent nearly half of all sales. The increase in online sales means that the company is losing out on some of the economies of scale and scope that were associated with large cost-efficient deliveries to its retail locations. Because each online order must be separately packed and shipped, Swedish Home Designs does charge a delivery fee, however onsite retail sales are still more profitable for the company. Swedish Home Designs outsources the majority of its online deliveries.</p> <p>Recently, Swedish Home Designs has run into some challenges related to the departure of the United Kingdom from the European Union. Differing safety regulations, country of origin certification systems, and other new barriers to the free flow of goods are raising questions about whether it makes sense to continue to serve European Union countries from outside the bloc.</p>	✓	✓	✓
<p><b>The Global Capital Market</b></p> <p>Trade Policy Is Us!, a consulting firm that specializes in global trade, has been hired to present trade policy recommendations to a candidate running for office. The candidate needs to develop a campaign message for U.S. trade policy. A team of consultants and interns are meeting to develop a set of recommendations.</p>	✓	✓	✓
<p><b>Trade Policy Is Us!</b></p> <p>Tired of standing in long lines at airport restaurants and then racing through crowded terminals to catch his flight, Anios Kimathi decided there had to be a better way for passengers to get food between connecting flights. After nearly missing his flight back to South Africa he came up with a solution, The Jetway Butler. The Jetway Butler concept was inspired by the little robots that had moved swiftly and quietly across the campus at the large university in Ohio where he had spent a year as an exchange student. The robots, which carried food to students who had ordered via an app, were about the size of typical beer cooler and were climate controlled to keep food hot or cold. Each robot was equipped with technology that allowed it to "see" students and cross streets without hitting people or objects. Even at busy times when paths between buildings were crowded, the robots managed to get to their destinations with little interruption. Anios thinks the system would work well in busy airport terminals and potentially decrease the additional traffic from people who move in random patterns while looking for somewhere to order food. Anios envisions a scenario whereby passengers could order food prior to their departure, include flight details that would then be automatically updated to reflect flight delays and gate information. Upon arrival at an airport, passengers would then go directly to their next departing gate where the robot would be waiting with their food. The passenger would unlock the cooler using a code system similar to the one used by Amazon for its lockers. Anios is convinced The Jetway Butler could transform the travel industry by creating greater efficiency in travel, allowing airport food kiosks to better utilize their resources, and reducing some of</p> <p>Once back in his native Cape Town, Anios worked with a local innovation lab to build a prototype of The Jetway Butler sinking most of his savings into the project. His plan is to debut The Jetway Butler at the OR Tambo International Airport in Johannesburg, South Africa. As one of the busiest airport on the continent, it serves many passengers connecting on to other destinations. Anios believes that food merchants at the airport, after attending a simple training program, will be able to easily utilize The Jetway Butler app to take orders and deliver food via the robots.</p>	✓	✓	✓

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<p><b>Understanding Foreign Direct Investment</b></p> <p>Julian Ho and Lynn Wilson met when they crashed into each other while surfing in Baja, California. Twenty years later, the couple support their love of surfing with a small chain of restaurants called Drop-in Tacos. The restaurants, located in various popular surfing destinations along America's West Coast, serve a variety of inexpensive, but filling Mexican favorites including burritos, tacos, and chips and guacamole. Every Drop-in Tacos location is decorated with a surf vibe and attracts all generations of surfers as well as non-surfers looking for a casual place to refuel with friends.</p> <p>While watching the 2020 Summer Olympics, which were held in Japan, Julian and Lynn were surprised to find out that surfing is now an Olympic sport and furthermore that Japan had a well-developed, albeit relatively small, surf culture. Inspired by what they saw, Julian and Lynn want to take Drop-In Tacos to Japan. Julian and Lynn think that because the surf culture in Japan is similar to that in the United States, Drop-In Tacos can target a similar audience and reach out to non-surfers by promoting the West Coast American appeal of its products. Julian and Lynn would like to open a single restaurant initially to see whether the concept will work, and then more later if it is successful. Early on in their partnership, Julian and Lynn made the decision to keep all Drop-In Tacos locations company-owned so that they had full control of the restaurant design vibe, menu, operating culture, and of course, reputation. Julian and Lynn feel that this decision was a good one and if possible, plan to follow it in Japan, their first international venture. However, they recognize that Japan will be a very different place in which to do business and they have no experience operating in foreign markets.</p>	✓	✓	✓
<p><b>Understanding the Impact of Changing Exchange Rates</b></p> <p>Several top executives from RedBucz, a German company that produces high tech equipment, are holding an emergency meeting to decide how they will present the company's financial situation at the upcoming meeting with the board. Despite having achieved record export sales and beating chief rival Big Blue, RedBucz has seen its profit margins impacted by changing currency values. Executives know that they will need to explain the current state of affairs and the strategies they plan to implement. They know that they will be facing intense scrutiny at the shareholder meeting in nine months so they want to be sure they fully understand the international monetary system and how the firm should navigate the challenges it presents.</p>	✓	✓	✓
<p><b>Understanding the Implications of International Trade Theory</b></p> <p>For as long as she can remember, Naomi Barnes has loved bikes and the freedom they offer. In college, Naomi joined a cycling club as a way to meet new people who shared her passion for long distance riding. She later used that experience to help her build a cycling app to fulfill her senior project requirements for her computer programming degree. To her surprise, the app, Spoke-N-Power, took off, quickly getting a huge following and generating a steady cash flow. After graduating from college, Naomi decided to expand her business to include a line of elite racing style bikes directed at the burgeoning market for extreme athletic events like Iron Man and other long distance cycling competitions. Today, Naomi continues to serve that market and also carries a line of high-end bikes targeting cycling clubs and individual riders interested in the features of racing style bikes.</p> <p>All Spoke-N-Power bikes are assembled in the United States, although most of the parts are made in China and other Southeast Asian countries. While the company could assemble bikes in Southeast Asia, it is more costly to export finished bikes as compared to the individual parts, and Naomi believes that assembling her bikes near her customers is an important differentiating feature for Spoke-N-Power. Currently, the majority of Spoke-N-Power customers are located in the United States although the COVID-19 pandemic prompted a surge in foreign demand as buyers switched from indoor stationary bikes to outside workouts. Spoke-N-Power offers customers the opportunity to buy test bikes and order custom-designed products. While custom-designs are currently only available to U.S. buyers, Naomi wants to explore whether, in response to new demand from outside the United States, it makes sense to offer some foreign assembly as well.</p> <p>In addition to generating new demand for Spoke-N-Power bikes, the pandemic has thrown a wrench into the company's production process. Today, Naomi is meeting with other senior executives at Spoke-N-Power to discuss the company's supply chain and especially the vulnerability of parts sourced from China. Parts have been slow to arrive and, in some cases, have failed to arrive at all, leaving the company scrambling to find alternative sources and delaying delivery of bikes. Because many of Spoke-N-Power's customers participate in scheduled riding events, timely delivery is essential and a valued part of Spoke-N-Power's reputation as a leading seller of high performance competition level bikes.</p>	✓	✓	✓

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<p><b>Understanding the Implications of the International Monetary System</b></p> <p>Asli Balik and Sydney Peters met years ago when Asli, a high school exchange student from Turkey, stayed with the Peters family for a semester. The experience was a win-win for everyone involved. Asli shared her culture and traditions with Sydney and her family, allowing them to connect with Sydney's mother's Turkish heritage. For Asli, the chance to experience the American Midwest and live with her host family was a dream come true. Sydney and Asli became close friends, spending the next few years shuttling back and forth between the two countries and families and eventually shared a dorm room at a large university in the Midwest. Asli majored in microbiology while Sydney studied business and international relations. Following their graduation, Asli returned to Turkey where she established a small biotech company, Kevvet Pharmaceuticals, producing generic versions of unique drugs. Sydney took a job with a Washington think tank with close connections to the International Monetary Fund and the World Bank. Within a decade, Kevvet Pharmaceuticals had expanded to include both more products and more markets, including some in neighboring countries. Asli is proud of her company's success and the jobs it provides within the community. To further contribute to the local economy, Asli has made a point of sourcing inputs locally where possible, but also relies on imported inputs to produce a number of products.</p> <p>Now, though, Asli is getting nervous as the price of those imported goods continues to jump. Asli knows that the problem is related to the value of her country's currency, the Turkish lira, but doesn't really understand the situation. Asli has decided to reach out to her old friend, Sydney, for some help in understanding the crisis and to get advice about what to do next.</p>	✓	✓	✓
<p><b>Unique Chic: Managing the Global Supply Chain</b></p> <p>Unique Chic produces limited-edition long sleeve and short sleeve T-shirts targeted toward men and women seeking styles that reflect their values and set them apart from those wearing mainstream fashion trends. Unique Chic presents up to five collections each year inspired by lifestyle trends depicted by select social media influencers. Initially, Unique Chic worked with social media influencers with largely American followers, but in recent years, the company has expanded its global presence by working with influencers with large numbers of Australian followers and large numbers of Western European followers.</p>	✓	✓	✓