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PROGRAM: Exchange / Double Degree UCP  
SUBJECT: Economics of Business & Markets  
LANGUAGE: English  
PROFESSOR(S): Alvaro Cyrino, Luiz Carlos Di Serio and guest speakers (experts)  
WORKLOAD: 30 hours, plus two 8 hour field visits (mandatory)  
REQUIREMENTS: *not applicable*  
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## TEACHING PLAN

As part of the global initiatives of the Institute for Strategy and Competitiveness (ISC), linked to the Harvard Business School, coordinated by Professor Michael Porter, and offered by FGV/EBAPE, this program seeks **to disseminate a state-of-the-art understanding of competitiveness on three levels: that of companies, that of local productive arrangements (clusters) and that encountered on a sub-national level.**

The diffusion of the concepts, tools and results of studies and research carried out by the ISC/Harvard faculty and its associates around the world are brought together here in the form of a course at postgraduate level, whose purpose is to discuss such concepts and their application to present-day Brazil.

*In addition to the participation of FGV faculty, the program also brings in researchers, public officials, managers and businessmen from other organizations in order to share their experiences and professional expertise related to competitiveness issues discussed in the course, in order to help adapt the concepts being taught to the local context.*

Aside from the discussion of cases and experiences of clusters and local development in the classroom, the 2015 edition of the Program has also offered something new: field visits in loco to one chosen Brazilian cluster, with presentations offered by a spokesperson of the companies and entities being analyzed.

The issues related to competitiveness are situated at the intersection of business and public policies. On the business side, the main issue is how to better coordinate inter-company efforts at the cluster level, seeking to define those factors that are essential for success and devise appropriate public-private, collective and individual initiatives, so as to improve the competitiveness, and ultimately, the value of companies as a whole. In addition to the business community efforts, it is fundamental that the government agencies at all levels take initiatives to align the standard incentives and resources, and develop support policies in order to encourage productivity in a sustainable manner. **In this sense, this course should be of interest not only to those in the field of public administration, but also to those in business administration, especially if one considers that local development initiatives are necessarily of a public-private nature.**

The tools, cases and results of research involving best practices in different regions/countries will be used as the basic material analyzing local and regional cluster and regional development initiatives in emerging and developed countries.

### 1. Course Description

Introduction to competitiveness. The competitiveness of companies, of local and regional clusters and of nations. The national business environment and its effect on productivity and competitiveness of firms. Competing internationally: global competitive strategies for firms and regions. The role of productive chains and clusters as driving forces of economic and social development in emerging countries. Clusters and competitiveness in

developed countries. The role of companies and of the public sector in economic and social development. Brazilian experiences in clusters.

## 2. Scope & objectives

1. To identify, discuss and apply the concepts, theories and methodologies relating to the competitiveness of companies, clusters, regions and nations from a microeconomic strategy perspective.
2. To discuss and analyze cases and experiences involving sub-national development in the world and in Brazil.
3. To carry out in-depth studies, applying the appropriate concepts and theories to specific clusters in Brazil, using case analysis, as well as looking at the contributions made by initiatives of business cooperation and public policies to the development of the cluster being studied.

This edition of the course is being taught in English.

## 3. Learning outcomes

### 3.1. Key learning outcomes

State-of-the-art understanding of competitiveness on three levels: that of companies, that of local productive arrangements (clusters) and that encountered on a sub-national level.

### 3.2. Complementary learning outcomes

Discuss such concepts and their application to present-day Brazil.

## 4. Course methodology

The program is based on active and experiential learning methods, the case method in particular.

***The case studies method requires prior preparation of material*** – reading, analysis and review of a dossier containing around 20-30 pages for each class. In order to help in the review of the work, a number of guiding questions are provided that deal with issues at the heart of each case.

***The method also demands that each individual take an active part in classroom discussions.***

For each section, required and additional reading will be indicated.

At certain points during the course, professional experts, directors, managers and public officials may be called in to talk about and reflect upon experiences of their organizations relevant to the course curriculum.

In addition to the preparation cases and readings, ***the participants must present a final project report based on their field work, involving the analysis of a cluster.*** This work will be the responsibility of groups of participants, and should be presented during the last session of the course

## 5. Detailed course content

In addition to the normal classes, the program will also include visits to the clusters chosen for a more in-depth analysis. These visits will count as part of attendance requirements, and are essential for the data collection

process of the cluster for the final project. In principle, these visits will be run on Fridays, during the day (morning and afternoon).

Class	Theme	Preparatory Activities (* References discriminated in the Bibliography section)	Classroom Activities	Professor (s)/ guest (s)
1	Course outline and Introduction to competitiveness	<b>Required Readings:</b> - <i>Learning by the Case Method</i> - <i>M. Porter, on Competition– Chapters 1 and 2</i>	Program outline and presentation of the basic concepts of competitiveness	Prof. Álvaro Cyrino, FGV/EBAPE
2	Competing across markets: Global competitive Strategies	- <b>Required Reading:</b> <i>On Competition– Chapter 8</i> - <b>Case preparation:</b> <i>Volvo Trucks (A)</i>	Discussion about the Volvo Case and Testimonial	Prof. Álvaro Cyrino, FGV/EBAPE Guest Speaker from Volvo Latin America
3	Clusters in developed countries	<b>Required Reading:</b> – M Porter, <b>Chapter 7</b> <i>The cluster observatory Greenbook</i> <b>Case Preparation</b> Building a Cluster: Electronics and Information Technology in Costa Rica	Discussion about the electronics Cluster Case in Costa Rica. Presentation of an interview with the Directors of INTEL	Prof Luiz Carlos Di Serio- FGV/EAESP
4	Clusters in resource-intensive Industries: oil and gas	<b>Required Reading:</b> <i>Clusters: Balancing Evolutionary and Constructive Forces</i> <b>Case preparation:</b> <i>The Genoa Maritime Cluster: Facing strong competition with synergies</i>	Discussion on the Genoa Maritime Cluster case and lecture on the Recreational boat cluster (sports, tourism and leisure) of Rio de Janeiro	Prof. Alvaro Cyrino, FGV/EBAPE Guest Lecturer: Dr. Klaus Peters, of the Business Association of the Boat Cluster
<b>Visit to Angra dos Reis: Verolme Marina and the Recreational Boat Cluster (Leaving EBAPE at 09:00. Expected return at 18:00) - Dates to be confirmed</b>				
5	Session on projects	<b>Follow up on group projects</b>	Work session with groups on the project	Prof. Álvaro Cyrino, FGV/EBAPE
<b>Visit to Queimados boat cluster ant to the Real Powerboat factory – Rio de Janeiro: Overview of the recreational Boat Cluster and to the factory of (Leaving EBAPE at 09:00. Expected return at 18:00) - Dates to be confirmed</b>				
6	Industrial clusters: the automotive cluster	<b>Required Reading:</b> Brazil: Emerging Giant?(Dossier of documents about the country) Lazzarini, S. G. Strategizing by the government <b>No case preparation required</b>	Lecture on Porto Digital (IT Technology Cluster)	Prof. Álvaro Cyrino, FGV/EBAPE Guest speaker of Porto Digital IT Cluster

Class	Theme	Preparatory Activities (* References discriminated in the <i>Bibliography section</i> )	Classroom Activities	Professor (s)/ guest (s)
7	Innovative clusters: knowledge-intensive clusters	<b>Required reading:</b> How Do Italian Footwear Industrial Districts Face Globalization? <b>The Dutch Flower Cluster</b>	Case discussion	Prof. Alvaro Cyrino, FGV/EBAPE
8	The Diamond Model: Competitiveness in regions	<b>No required reading</b> <b>Case Preparation:</b> Cluster Mobilization in <i>Mitteldeutschland</i>	Case discussion	Mittelstand
9	Final Projects	Group Presentations	Presentation of the groups' final projects	Session chaired by Prof. Alvaro Cyrino, FGV/EBAPE
10	Final Projects	Group Presentations	Presentation of the groups' final projects	Prof. Álvaro Cyrino, FGV/EBAPE

Obs:

1. Extracurricular activity open to all: Visits to the productive clusters on the Fridays indicated.
2. Due to unexpected events, there might be slightly changes in the order of the sessions, visits and additional references.

**NOTE: The instructor reserves the right to modify, add, and/or delete any material in the course syllabus or make any changes in the course schedule.**

## 6. Assessment procedures

Student evaluation will be based on:

Participation (individual) .....	20%
Report on case analysis .....	20%
Final Project (group) .....	60%

## 7. General guidelines for the graduate program

As a general rule relating to the ethical principles and the code of conduct which steer its academic environment, EBAPE sets down the following:

- Autonomy and responsibility correspond to values which, when transformed into action, highlight the importance of EBAPE's mission of producing and disseminating knowledge of Administration. Consequently, it is the professor's responsibility to conduct roll call at every class, and absences will only be justified if they comply with the applicable legislation (see details in the Student Manual).

- We recommend that the use of communication equipment such as cell phones, radios and similar equipment should not be permitted in the classroom, so as to avoid interfering with the teaching and learning processes, but professors can use their discretion on this ruling, where applicable.
- Resorting to fraudulent measures of any kind on the part of students during any of the evaluation phases will lead to a zero grade being awarded and the immediate referral of the case to the program department for examination of the facts.<sup>i</sup>

## 8. REQUIRED READINGS

### Cases to be prepared in advance:

*Learning by the Case Method*, HBS Case Number 9-376-241

*Volvo Trucks (A): Penetrating the U.S. Market*, HBS Case Number: 9-702-418

Intel Building a Cluster: Electronics and Information Technology in Costa Rica, HBS 703422

The Genoa Maritime Cluster: Facing strong competition with synergies, ECCH Case Number 211-044-1

The Dutch Flower cluster, HBS Case Number 711507

Cluster Mobilization in *Mitteldeutschland*, HBS 9-707-004

### Required Readings:

Porter, M. (2008). *On Competition*. Harvard Business Review Book. (Required chapters  
Sölvell, O. *Clusters: Balancing Evolutionary and Constructive Forces*. [www.clusterobservatory.eu](http://www.clusterobservatory.eu).  
Sölvell, Lindquist, G and Ketels, C *The cluster observatory Greenbook*. Available on the internet

Lazzarini, S. G. (2013). *Strategizing by the government: can industrial policy create firm-level competitive advantage?* Strategic Management Journal, vol 36, December.

Amighini, a. and Rabellotti, R. (2006). How Do Italian Footwear Industrial Districts Face Globalization? European Planning Studies Vol. 14, No. 4, May

## 9. ADDITIONAL READINGS

### Additional References:

*The Global Competitiveness Report* . World Economic Forum. <http://www.weforum.org/reports/global-competitiveness-report-2014-2015>

*Doing business* . World Bank. <http://www.doingbusiness.org/reports/global-reports/doing-business-2015>

*World Competitiveness Ranking*. IMD. <http://www.imd.org/wcc/news-wcy-ranking/>

BECATTINI, G. “From Marshall’s to the Italian “Industrial Districts”. A brief critical reconstruction in: CURZIO, A. Q.; FORTIS, M. Complexity and Industrial Clusters: Dynamics and Models in Theory and Practice. Physica-Verlag: Heidelberg and New York, pp. 82–106, 2002.

FELDMANN, M.; FRANCIS, J.L. Entrepreneurs as agents in the formation of industrial clusters in: ASHEIM, B.; COOKE, P; MARTIN, R. Clusters and Regional Development: critical reflections and explorations. Regional Studies Association, Routledge, 2006.

GOLDSZMIDT, R.; BRITO, L.; DE VASCONCELOS, F., Country Effect on Firm Performance: A Multilevel Approach. *Journal of Business Research*, v. n. p. 2010.

MARTIN, R.; SUNLEY, P. Deconstructing clusters: chaotic concept or policy panacea? *Journal of Economic Geography* 3:5-35, 2003.

MALMBERG, A.; MASKELL, P. The elusive concept of localization economies: towards a knowledge-based theory of spatial clustering. *Environment and Planning A*, 34, 44, 2002.

\_\_\_\_\_. The economic performance of regions. *Regional Studies*, v. 37, n. 6 e 7, p. 549-578, aug./oct. 2003.

## 10. Professor’s mini-résumé

### Prof. Alvaro Cyrino



Alvaro Cyrino is both a Professor and Deputy Dean at EBAPE/FGV. He is certified by the program for international training run by the Institute for Strategy and Competitiveness, HBS. He coordinates the Observatory of Competitiveness project at FGV/EBAPE. Alvaro has a Doctorate in Strategy and Company Policy from the Ecole de Hautes Études Commerciales de Paris (HEC); a Masters/DEA in Economics and Innovation Management from the Université de Technologie de Compiègne (UTC); and a Bachelor’s Degree in Administration from the Universidade Federal do Paraná (UFPR). He was a professor at the Fundação Dom Cabral. He has considerable experience in the field of administration, with emphasis on Business Administration and especially in the following areas; Business Strategy, Business Competitiveness, Clusters, International Management, Strategy Implementation and International Business.

### Prof. Luiz Carlos Di Serio



Luiz Carlos Di Serio is a professor at FGV/EAESP. He is certified by the program for international training run by the Institute for Strategy and Competitiveness, HBS. As an author of a number of books and articles he received an award (with his co-author, Marcos Augusto de Vasconcellos) for 2nd Place at the Jabuti 2009 Awards, in the category of Economics, Administration and Business, with his book entitled "Estratégia e Competitividade Empresarial - Inovação e Criação de Valor" (“Business Strategy and Competitiveness - Innovation and Value Creation”). He holds a degree in Mechanical Engineering from UNESP, a Master’s degree from Marquette University (Milwaukee, USA) and a Doctorate in Production Engineering from USP’s São Carlos Engineering School. As an executive, he worked for 22 years with Development Management and Implementation of Products, Processes, Quality, Computing and Industrial Automation at FMC do Brasil S/A.

<sup>1</sup>The student is guaranteed the right to a full defense as per the School’s internal regulations