

## **Global Immersion Program: Business and Entrepreneurship in Tunisia**

Fall 2019, Monday 2:15-3:45PM, Room 208 Warren Hall

Professor Kamel Jedidi  
518 Uris Hall (office hours: Mondays, 1:15PM)  
212-854-3479; [kj7@columbia.edu](mailto:kj7@columbia.edu)

TA: Brian Fitzgerald  
[BFitzgerald20@gsb.columbia.edu](mailto:BFitzgerald20@gsb.columbia.edu)

### **I- The Global Immersion Program**

Global Immersion Program classes bridge classroom lessons and business practices in another country. These three credit classes meet for half a term in New York prior to a one week visit to the country of focus where students will meet with business executives and government officials while working on team projects. Upon return from the travel portion of the class, students may have one wrap up meeting at Columbia Business School. The 2019-2020 Global Immersion Program fee for most classes is \$1850 and provides students with double occupancy lodging, ground transportation and some meals; unless an increased fee is otherwise specified in the course description. It does not cover roundtrip international airfare. Attendance both in New York and in-country and regular participation are a crucial part of the learning experience and as such attendance is mandatory. Students who miss the first class meeting may be removed from the course. No program fee refunds will be given after the add/drop period has closed. Please visit the Chazen Institute website to learn more about the Global Immersion Program, and visit the Global Immersion Policies page to review policies affecting these courses.

### **II- An Overview of the Course**

Tunisia, the birthplace of the Arab Spring, was a crossroads of many civilizations from its indigenous Berber population, to the Phoenicians who founded Carthage in 814 BC, to the Romans who destroyed Carthage in 146 BC after three Punic wars, to the Arabs introducing Islam and Arabic in the 7th century, to the Turkish Ottomans who ruled Tunisia from 1574 to 1881, and more recently to the French who occupied Tunisia from 1881 to 1956. This melting pot of more than 3000-year history is what distinguishes Tunisia from other countries in the Middle East and North Africa.

Because of its free trade agreements with Europe and several countries in Africa and the Middle East, Tunisia can potentially become a gateway to a market of more than a billion people. Tunisia is going through profound political changes following the initial upheaval of the Arab Spring in 2011. As it prepares for the third, free and fair election this October, there are many questions that await. Will Tunisia transition to a stable democracy? Will it be able to create a business environment that is attractive to investors? If so, what investment opportunities exist in Tunisia? What are the risks involved and the future challenges? And, how best to enter such a market? The course will explore these questions and other issues related to the entrepreneurship ecosystem and doing business in Tunisia.

The course consists of six classes (of 90 minutes each) at Columbia to introduce the business, economic, and political environment in Tunisia, and one additional meeting during the spring

semester (February 7, 2020) for project presentations. A week-long trip to Tunisia will include visits to companies and government and non-government institutions. The course project involves working closely with student start-up teams from Tunisia to prepare them for the national [Open Startup Tunisia](#) (OST) competition which will be held during the last day of our visit to Tunisia. The project is truly an immersive, multicultural experience where you will partner, mentor, coach, and interact with Tunisian youth, both online and offline. Student groups from the class will be matched with Tunisian teams to work on their startup ideas. The role of the group is not only to mentor the Tunisian team, but also to serve as an integral partner in all the aspects of the project from idea development to project pitch. The project pitch/presentation is scheduled on Friday, January 17 in Tunis at the National Open Startup Competition. Travel will take place to Tunis from January 11 to 18, 2020.

### **III- Course Material**

A variety of readings and articles from the scholarly literature and the popular press will be used in this course. All the web-links are listed in the syllabus and posted on Canvas.

Recommended Text: *Tunisia: An Arab Anomaly*, Safwan Masri, Columbia University Press, 2017.

### **IV- Student Evaluation**

<b>Class Participation</b>	<b>30% (Individual)</b>
<b>Case Assignments</b>	<b>10% (Individual)</b>
<b>Project</b>	<b>60% (Group)</b>
Project Assignments	30%
Preliminary Presentation	10%
Final Presentation/write-up	20%

Students will evaluate each other's performance in doing group work and this will be considered in assigning final grades.

#### *A. Attendance & Class Participation (30%)*

Attendance is mandatory. Failure to adhere to the attendance policy of the Global Immersion Program could result in failure of the course. You are also expected to actively participate in classes, group meetings, and in-country meetings. This means that you have done the readings and cases assigned for class and that you constructively contribute to the class discussions and company visits.

#### *B. Case Assignments (10%)*

For each assigned case, you are required to respond to a Qualtrics survey that addresses the case discussion questions. There are two cases (i) *Moulin d'Or* and (ii) *AfricInvest's Stake in Nouvelair: Pricing Risk in a Turbulent Market* case. Your responses to the Qualtrics surveys are due before the beginning of class the day the case is discussed.

#### *C. Group Project*

The group project (5 students per group) involves a collaboration with a team of five students from Tunisia for developing and pitching their startup idea. The role of the group is not only to mentor

the Tunisian team, but also to serve as an integral partner in all the aspects of the project from idea development to project pitch (business model, market research, and financial projections). Working with Tunisian teams allows you to immerse and inspire the local youth population, understand first-hand the entrepreneurship eco-system in Tunisia and the challenges it faces, develop an experience working in cross-cultural teams, and practice entrepreneurial and consulting skills, some of which will be learned in class.

The Tunisian teams were selected as part of the first round of the National Startup competition on October 20<sup>th</sup>, 2019. Sixteen teams from various Tunisian universities participated in phase one of this competition and only six of them passed to the second stage based on the business potential of their start-up ideas. These teams include graduate and senior undergraduate students in engineering and business as well as other disciplines such as design, architecture, art, and media. They are reasonably fluent in English and French. Each team has two local mentors (which could be professors and/or practitioners) that guide them through the process. Detailed descriptions of the startup ideas (along with short videos of the team presentations in phase one of the competition) and contact information of the Tunisian teams will be available on Canvas on October 25.

You will be matched with a Tunisian team based on your own preference. We will provide you with a Google Document link where you will select your favorite start-up project by no later than Tuesday October 29, noon time. As each group is capped to five MBA students, the matching (team assignment) will be filled on a first-come, first-served basis. We will let you know the team assignment on the same day by 5:00PM. We will also assign your group a Columbia mentor that you could reach out to for advice and any issue you may face during the term.

Each group needs to plan for a virtual meeting, with their Tunisian team and group mentor in the period of October 30 and November 11 to discuss the project. During the term, each group will engage virtually with their Tunisian team *at least* once a week. The final start-up pitch/presentation (by both teams) is scheduled on Friday January 17, 2020 in Tunis at the National Open Startup Competition and will be judged by a panel of business and academic experts. Groups are advised to organize a final working session before arrival to Tunisia.

### *1. Project Assignments (30%)*

Project Assignment	Due
Revised Business Model Canvas, Suggestions where more customer discovery is needed, and Opportunity to scale outside Tunisia	11-Nov
Initial customer discovery findings and final research instrument (e.g., survey)	25-Nov
Preliminary research findings and financial (revenue and cost) projections	9-Dec

Failure to meet the deadlines will result in a grade penalty.

### *2. Preliminary Project Presentation (10%)*

On December 9, each group is required to give a 7-min presentation (+3min for Q&A) about their project progress and remaining steps.

### *3. Final Project (20%) Report and Presentation*

Upon return from the trip, each group will submit a ppt slide-deck (about 10 slides) of their presentations with detailed notes on **February 7, 2020**. The group will also give a five-minute, informal presentation where they reflect on their learnings from the course project and field trip.

Your grade for the project will depend on all aspects of this project. You will also grade your team members on their effort and cooperation. Individual project grades will be adjusted up or down depending on the evaluations. I will also adjust the project grade based on my perception of your effort on behalf of the group. So it is to your benefit to make me aware of your contribution to the group project. See FAQs (on p. 8) for more details on the group project.

### **Tentative Schedule for Course Project**

<b>Period</b>	<b>Group Task and Due Dates</b>
Oct 25-29	Review startup project descriptions/videos posted on Canvas. Use the Google Doc link that we will email you after class to submit your start-up project choice by no later than Tuesday October 29, noon. Start-up assignment will be based on first-come, first-served basis. Group membership will be announced on the same day by 5:00PM.
Oct 30-Nov 11	Schedule a virtual meeting with the team members from Tunisia for introduction and project planning. (Make sure to invite your group mentor to this meeting.) Business model and market research needs are items to be discussed. First drafts of the business model and market research are due in class on Monday November 11. Market research (via customer discovery) should gauge how important is the <i>business problem</i> the startup is trying to solve from a customer perspective and how compelling is its <i>innovative solution</i> relative to competition. Thus much of the market research effort involves various aspects of "customer discovery" and "competitive analysis." Your expertise will be useful to the students in thinking about how the business model could scale outside Tunisia. Are there US competitors? What is the market size?
Nov 11-25	Organize a virtual meeting to review preliminary customer discovery findings and competitive analysis to date (e.g., based on secondary data or any other preliminary research) and to discuss other data and research needs. A summary of the customer discovery findings to date and other data/research needs are due in class on Monday November 25.
Nov 26-Dec 9	Data collection and financial (revenue and cost) projections.
Dec 9	In-class, project presentation and remaining steps. Preliminary research findings and financial projections are due in class. (Please use assumptions made by Tunisian teams to develop a financial model.)
Dec 10-Jan 10	Holiday break. Groups may interact with their Tunisian teams to finalize remaining aspects of the project.
Jan 11-	Arrival to Tunis and the beginning of the week-long trip.

Jan 12- Afternoon and Evening	Group working session with Tunisian team in Tunis. Purpose is to finalize the project and its pitch. Each Tunisian team will host their MBA group at home in the evening.
17-Jan	Pitch the startup in the National startup competition in Tunis jointly with the Tunisian team. There will be a final working session with the Tunisian team just before the official pitch.

## COURSE OUTLINE (TENTATIVE)

### Class 1:      **October 28**

Brief Introduction to the course and Tunisia  
Introduction to the Lean Startup Methodology  
Guest Speaker, Bob Dorf, Co-Author of *The Startup Owner's Manual*

**Due by October 29 12:00 Noon:** Your selection of the Tunisian start-up team you would like to work on throughout the term. An Excel spreadsheet is posted on Canvas contains start-up descriptions and links to short videos. After class, you will receive a Google Document where you will make the selection before the deadline.

**Read:** [Why the Lean Start-Up Changes Everything](#)

**Optional:** [Udacity online course by Steve blank on how to build a startup](#)

**Watch:** [A travel documentary on Tunisia](#)

**November 4** (Election Day break, no class)

### Class 2:      **November 11**

**Case:** Moulin d'Or

Imagine you are part of the Abraaj investment team. Your job is to evaluate the investment opportunity as described in the Moulin d'Or case. As part of your evaluation, you need to come up with an investment thesis and build a quick model (e.g., DCF) to value Moulin d'Or.

1. Is Moulin d'Or an attractive candidate for investment?
2. Why or why not?
3. Assuming you want to pursue the deal, how would you create value and what would be the key pillars of your investment thesis?
4. What would the risk factors be?
5. Using the abovementioned opportunities for value creation and risk assessment, how much would you value the company at? (in \$ Million)
6. How much would you invest in the company? (in \$ Million)

7. How would you approach the negotiation?

**Due:**

- 1) Answer case discussion questions through this [Qualtrics survey link](#) before class.
- 2) Drafts of the business model and market research plans. Failure to submit the drafts on time will result in a grade penalty.

**Note:**

Revised Business Model Canvas, Suggestions where more customer discovery is needed, and Opportunity to scale outside Tunisia are due today.

- For the one-page business model summary, you can use the template posted on Canvas.
- Market research should gauge how important is the business problem the startup is trying to solve and how compelling is its innovative solution relative to competition, both from a customer perspective.

**Class 3: November 18**

First half of the session: Customer Discovery

Guest Speaker: Ivy Schultz, Director, Entrepreneurship, Columbia Engineering

**Read:** [Talking to Humans](#)  
[Testing with Humans](#)

Second half: Groups will meet with their mentors to discuss their progress in the project and seek any guidance they may need.

**Class 4: November 25**

**Tunisia: An Arab Anomaly**

Guest Speaker: Safwan Masri, Executive Vice President for Global Centers and Global Development; Director, Columbia Global Centers | Amman

**Read:** Introduction, chapters 1 & 2 from Masri's manuscript: *Tunisia: An Arab Anomaly*, posted on Canvas under session 5.

**Optional:** [The Next Arab Spring? Women's Rights](#)

**Due:** A summary of preliminary customer discovery findings to date and final research instrument.

**Class 5: December 2**

**First Half:** AfricInvest's Stake in Nouvelair: Pricing Risk in a Turbulent Market Case

AfricInvest faced a critical decision in 2006. Having invested in Nouvelair, in 2000 to capitalize on Tunisia's booming tourism industry, AfricInvest suddenly found its investment in jeopardy

due to a series of increasingly aggressive overtures by Belhassen Trabelsi, the founder of a competing airline, Karthago, and a prominent businessman with close ties to Tunisia's ruling Ben Ali family. Trabelsi had proposed a merger of the two airlines in a 1-for-1 stock swap deal that assigned equal value to both companies. The problem was that Karthago was effectively bankrupt, while Nouvelair had been profitable almost from its inception. Nouvelair was under increasing pressure from Trabelsi to sign off on the deal. Was there a way for AfricInvest to safeguard its investment and protect Nouvelair's other stakeholders all while placating Trabelsi?

### **Discussion Questions:**

1. How do you "value" Nouvelair and Karthago airlines in early 2006? Is the Karthago 1-for-1 stock swap offer reasonable?
2. Is it possible to fend off Karthago/Trabelsi's merger offer?
  - a. Suppose it is possible. As AfricInvest, what would you advise Nouvelair to do?
  - b. Suppose Trabelsi couldn't be deterred,
    - i. How should AfricInvest advise Nouvelair to minimize the damage from the merger?
    - ii. What should Africinvest do with its investment in Nouvelair? Should it exit its investment and preserve its gains to date? Or should it maintain or grow its investment?

All students need to address the discussion questions by responding to this [Qualtrics survey](#) before class.

**Second Half:** A short presentation on Tunisian culture

**Class 6: December 9**

**Preliminary Project Presentations (7 min duration)**

**Due:** Student project presentations in ppt

## **IN-COUNTRY PORTION OF THE COURSE**

**January 11-18, 2020: Tunis**

**Start-up pitch at the National Start-up Competition: January 17, 2020**

(Schedule TBD)

## **FINAL CLASS**

**Class 7: Friday February 7, 2020**

**Course Wrap-up (9AM-12Noon, room TBA Uris) and submission of final project ppt presentation.**

## FAQs

**1. Are we coaching the startup teams from Tunisia?**

Answer: No, the Columbia Teams will work as team-members with the students from Tunisia.

**2. What aspects of the project will the team from Tunisia will take the lead on?**

Answer: The team from Tunisia will take the lead in the first ideation process, preliminary business model, data collection, and preliminary financial projections.

**3. What aspects of the project will the CBS teams take the lead on?**

Answer: The CBS team will take the lead in reviewing the business model, the financials and the internationalization strategy. The CBS team can bring the Tunisian team to pivot the idea if necessary. Where possible, the CBS team can offer their technical expertise.

**4. What is the best way to communicate with the teams in Tunisia?**

Answer: Formal meetings could happen on Skype or Google HangOut. More informal communication can take place through messaging platform such as Whatsapp, Facebook messenger or slack.

**5. What should the CBS teams do if the Tunisian team is behind schedule on their deliverables?**

Answer: CBS students must immediately report any issue to the teaching assistant who will follow-up on the problem.

**6. What happens if the CBS team doesn't like the idea?**

Answer: This issue should be raised at the very first meetings. The CBS team should then offer constructive advice to change or slightly pivot the idea. This change should be accepted by the local and international coaches.

**7. Are there any cultural norms that we should be aware of during the preliminary phase (October to December)?**

Answer: Tunisians are often shy to say no or to admit that they do not understand and tend to not be confrontational.

## DATA SOURCES

There are several different sources of data that are useful for this course. Notable among these are the following, all of which are available for free through Columbia University (go to the Columbia University homepage, and then to the libraries; you can then search for each of the following data sources).

- Euromonitor Global Market Database ([Click here](#))
- Economist Intelligence Unit -- Country Reports: <http://www.columbia.edu/cgi-bin/cul/resolve?ARE1578>
- IMF e-Library ([Click here](#))
- World Bank e-library ([Click here](#))

Data from the following sources can be directly accessed over the web without the need to go through Columbia University.

- UN Data ([Click here](#))
- World Bank Databank ([Click here](#))
- Penn World Tables ([Click here](#))
- Gapminder ([Click here](#))

## Library Resources

Business Source Complete (index to English language journal articles, forecasts, etc)  
<http://www.columbia.edu/cgi-bin/cul/resolve?clio4784657>

ISI Emerging Markets

<http://www.columbia.edu/cgi-bin/cul/resolve?ALP2674>

Global Market Information Database

[https://library.columbia.edu/content/librarywebsecure/eresources/databases/global\\_market\\_info.html](https://library.columbia.edu/content/librarywebsecure/eresources/databases/global_market_info.html)

## Other Internet Resources:

Doing Business (IMF & The World Bank) for measuring business regulation

<http://www.doingbusiness.org/data>

World Trade Organization:

<http://stat.wto.org/TariffProfile/WSDBTariffPFView.aspx?Language=E&Country=DZ,EG,MR,MA,TN>

African Development Bank Group publications:

(1) ADB Group on "North Africa"

<http://www.afdb.org/en/countries/north-africa/>

<http://www.africaneconomicoutlook.org/en/countries/>

(2) African Statistical Yearbook 2016

<http://www.afdb.org/en/knowledge/publications/african-statistical-yearbook/>

(3) Selected Statistics on African

Countries <http://www.afdb.org/en/documents/publications/selected-statistics-on-african-countries/>

(4) African Economic Outlook (ADB Group and OECD Development Centre) <http://www.africaneconomicoutlook.org/en/>

Demographic and Health Surveys -- Country List <http://www.measuredhs.com/Where-We-Work/Country-List.cfm>

The Economic Research Forum (Cairo,

Egypt) [http://www.erf.org.eg/cms.php?id=publications\\_landing\\_page](http://www.erf.org.eg/cms.php?id=publications_landing_page)

ELDIS Country Profiles (Institute of Development Studies, U. of Sussex, UK) <http://www.eldis.org/go/country-profiles>

FAO Document Repository

<http://www.fao.org/documents/en/docrep.jsp>

Institut de Recherche sur le Maghreb

<http://www.irmcmaghreb.org/>

International Trade Centre on "Arab States":

<http://www.intracen.org/region/arab-states/>

MED-IT Salon International des Technologies de l'Information <http://www.med-it.com/>

UNDP -- Human Development Reports

<http://hdr.undp.org/en/countries/>