

## Global Immersion Program: Doing Business in Egypt Fall 2019

- Session:** Fall 2019 –Term B
- Dates:** Mondays, 2:15pm – 3:45pm (10/28; 11/11, 11/18, 11/25, 12/2, 12/9)  
Trip to Egypt (in-country portion of course): **January 11-18<sup>th</sup>, 2020**  
Debriefing & Final Session: Friday, Feb. 7<sup>th</sup>, 2020
- Room:** WJW416
- Professor:** **Marco Viola**
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### 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 round-trip 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.

### **Course Overview**

Egypt, the largest country in the Arab world, is considered by many as the cradle of civilization. Its iconic monuments, confluence of religions, rich cultural heritage has made Egypt a regional power in North Africa.

From the Ottoman Empire to British rule, King Farouk's monarchy, the 1952 Egyptian Revolution that put Nasser and then Sadat into power to Mubarak's 30 year rule and the Egyptian Revolution of 2011, instability, turbulence and transition has plagued its history in the last century.

### **Many questions still remain.**

Will the country finally finish all political reforms? Will the economic reform program (agreed with IMF) ensure its progress and put Egypt once again as a key economy in the region? Will investment arrive and will the government provide a sound macro environment for companies to thrive? What investment opportunities exist? What are the risks involved and future challenges? How to best enter the market?

The course will explore these questions and other issues related to the entrepreneurship ecosystem and doing business in Egypt in general.

The course consists of six classes (of 90 minutes each) at Columbia to introduce Egypt and an additional meeting during the spring semester (February 2020) for project presentations. A week-long trip to Egypt will include visits to companies and government and non-government institutions.

The course project involves working closely with start-up teams from Egypt to mentor them for a competition, which will be held during the last day of our visit to Egypt. The project is truly an immersive, multicultural experience where you will partner, mentor, coach, and interact with Egyptian youth, both online and offline. Student groups from the class will be matched with Egyptian teams to work on their startup ideas/companies. The role of your group is not only to mentor the Egyptian team, but also to serve as integral partner in all the aspects of the project from idea development to project pitch.

**Travel will take place to Egypt from January 11<sup>th</sup> to 18<sup>th</sup>, 2020.**

### **Grading**

This course will use a combination of readings, case studies and lectures.

Requirements for the course and the contribution of each towards the final grade are as follows:

<b>ACTIVITIES</b>	<b>PERCENTAGES</b>
Online & Class Participation	30%
Written Case Assignments	20%
Group Project	50%

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|--|-----|
| • <i>Go-to-market Strategy &amp; Problem Statement</i> | 5%  |
| • <i>Problem Structure, Hypotheses &amp; Data</i>      | 10% |
| • <i>Preliminary Presentation</i>                      | 15% |
| • <i>Final Presentation/write-up</i>                   | 20% |

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

### **Online & Class Participation (30% of Grade)**

**This course adheres to Columbia Core Culture. Students are expected to be PRESENT, PREPARED and PARTICIPATE.** Your active participation in the discussion in class (as well as your online participation) is considered very important in this course. Let's get the most out of perhaps the scarcest resource we have - our time in class together!

Prior preparation of the cases and assigned readings are essential. **All students have to be fully prepared to discuss cases during class.** Pay special attention to the readings before our first class that will give you an overview of the country and should ignite your inquisitive minds to come to class with wonderful doubts and discussion points!

**Class attendance is critical.** Students **must** be on time and attend class regularly and with appropriate preparation. Class attendance, tardiness & participation will be tracked! Missing any of the sessions without an excuse will lower your grade. By making 30% of your grade dependent on your on-line and class participation we hope to encourage you to feel responsible in making this course work and that you constructively contribute to the class discussions and company visits.

**Failure to adhere to the attendance policy of the Global Immersion Program could result in failure of the course**

### **Written Case Assignments –Group Projects (20% of Grade)**

This course will have some group projects (teams will be formed before the first day of class), which will highlight some of the entrepreneurial opportunities and risks of doing business in the MENA region. Some teams will have to present their analysis of the specific opportunities and present their proposed strategy for those deals.

There will be 2 Main Assignments:

<b>Deliverable</b>	<b>% Grade</b>	<b>Type</b>	<b>Date Due</b>
1. Moulin d'Or Investment Thesis	10%	Group (A)	Before Class 2
2. Qalaa Holdings & the Egyptian Refining Co.	10%	Group (A)	Before Class 5

For each assigned case, you are also required to respond (individually) to a Qualtrics survey that addresses the case discussion questions. Your responses to the Qualtrics surveys are due before the beginning of class the day the case is discussed.

Assignments will be graded both on content and format, based on originality, analytical strength, feasibility and logic & format.

**GROUP PROJECT (50% of Grade)**

The group project (5 students per group) involves a collaboration with a start-up company from Egypt for helping them develop their business or pitching their startup idea. The role of the group is not only to mentor the Egyptian team/company, but also to serve as an integral partner of the project and help them solve the problem definition identified by the start-up, usually an area where the start-up team still needs help solving. The Problem Statement could be a multiple of issues -from idea development to project pitch, business model, market research, go-to market strategy, financial projections, how to scale the business, etc.

Working with an Egyptian start-up allows you to immerse and inspire the local youth population, understand first-hand the entrepreneurship eco-system in Egypt 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.

Detailed descriptions of the startup companies and contact information of the Egyptian teams will be available on Canvas in October.

You will be matched with an Egyptian 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<sup>th</sup>, 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.

Each group needs to plan for a half-hour, virtual meeting with their Egyptian team and group mentor in the period from October 30<sup>th</sup> to November 11<sup>th</sup> to discuss the project. During the term, each group will engage virtually with their Egyptian team **at least once a week**. The final start-up pitch/presentation (by both teams) is scheduled on Thursday, January 16<sup>th</sup> at AUC (American University in Cairo) in Egypt.

<b>Project Assignments</b>	<b>Due</b>
Assessment of Go-to-market Strategy & Problem Statement Definition	Nov 11 <sup>th</sup>
Problem Structure, Hypotheses to be explored & Data Gathering	Nov 25 <sup>th</sup>
Preliminary research findings & Recommendations on Problem Statement	Dec 9 <sup>th</sup>
Final Project Report & Presentation	Feb 7 <sup>th</sup>

**1. Assessment of Go-to-market Strategy & Problem Statement (5%)**

This presentation should be a quick summary of the start-up’s mission, business model, go-to-market strategy and the problem the joint Columbia-Egypt team will tackle.

**2. Problem Structure, Hypotheses to be explored & Data Gathering (10%)**

This presentation should be a quick summary of how the team has decided to solve the Problem Statement –mainly what are the main working hypotheses to be validated, and key data & analysis needed to solve the problem

**3. Preliminary research findings & Recommendations on Problem Statement (15%)**

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

**4. Final Project Report and Presentation (20%)**

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<sup>th</sup>, 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.

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

**Tentative Schedule for Group Project**

<b>Period</b>	<b>Group Task and Due Dates</b>
<b>Oct 28<sup>th</sup> - Oct 29<sup>th</sup></b>	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 <b>Tuesday October 29<sup>th</sup>, noon time</b> . Start-up assignment will be based on first-come, first-served basis. Group membership will be announced on the same day by 5:00PM.
<b>Oct 30<sup>th</sup> - Nov 11<sup>th</sup></b>	Schedule virtual meeting(s) with the team members from Egypt for introduction and project planning. Business model, go-to-market strategy and the problem statement are items to be discussed. First drafts of the business model, go-to-market strategy and the problem statement are due before class on <b>Monday November 11<sup>th</sup>, 2019</b> . 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 Egypt. Are there US competitors? What is the market size?
<b>Nov 12<sup>th</sup> - Nov 25<sup>th</sup></b>	Organize virtual meeting(s) to define Problem Structure, Hypotheses to be explored, analysis to be done and to discuss other data and research needs. A summary of this is due in class on <b>Monday November 25<sup>th</sup>, 2019</b> .
<b>Nov 25<sup>th</sup> - Dec 9<sup>th</sup></b>	Data collection, analysis, recommendations and financial (revenue and cost) projections.
<b>Dec 9<sup>th</sup></b>	In-class, project presentation on <b>Monday December 9<sup>th</sup>, 2019</b> - project progress, preliminary findings and remaining next steps.
<b>Dec 9<sup>th</sup> - Jan 10<sup>th</sup></b>	Holiday break. Groups may interact with their Egyptian teams to finalize remaining aspects of the project.
<b>Jan 11<sup>th</sup></b>	Arrival to Egypt and the beginning of the week-long trip.
<b>Jan 12<sup>th</sup> - Afternoon and Evening</b>	Working Session & Social Gathering Group working session with Egyptian team in Cairo. Purpose is to finalize the project and its pitch. Each Egyptian team will host their MBA group at home or restaurant in the evening.
<b>Jan 16<sup>th</sup>, 2020</b>	Pitch in Egypt jointly with the Egyptian team. There will be a final working session with the Egyptian team just before the official pitch.
<b>Feb 7<sup>th</sup></b>	Final presentation

### Reading Materials

There is no required text for the course. 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.

If you would like to probe certain topics in more detail, feel free to check with us on where to look for reading materials. A few books that cover some topics we'll touch upon in class have been provided as recommended readings.

### References and Recommended Reading

During the course, we will also recommend some interesting articles, cases and other sources that can provide you with more insight into the skills learned in class. These cases, books and articles cover some basic concepts and views. Generally, these books and articles will not to be a basis for class discussions (except for cases). You can read them before class, after class, or not at all, although I strongly encourage you to at least know what each book/article offers.

## ARTICLES

- “*Egypt Country Profile*”, Economist Intelligence Unit, 2008
- “*Egypt Country Report*”, Economist Intelligence Unit, March 2019
- “*Egypt: The End of the Revolution*”, Meg Rithmire, HBS 9-715-041, Sept 10, 2015
- “*Egypt: Turbulence and Transition*”, Mohamed Heikal, HBS 9-713-014, March 19, 2015
- “*Qalaa Holdings and the Egyptian Refining Company*”, Victoria Ivashina, HBS 9-217-011, March 1, 2018
- “*Egypt Business Digest*“, American Chamber of Commerce in Egypt, March 2019
- “*Egypt National Entrepreneurship Report*”, Ayman Ismail, Ahmed Tolba –Global Entrepreneurship Monitor, American University in Cairo (AUC), 2018

## Course Schedule & Logistics

### Class 1: October 28<sup>th</sup>, 2019

First half: Brief Introduction to the course logistics and Egypt country overview

Second half: Introduction to the Lean Startup Methodology  
Guest Speaker, Bob Dorf, Co-Author of *The Startup Owner's Manual*

**Due by October 29<sup>th</sup> 12:00 Noon:** Your selection of the Egyptian start-up company 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](#)
- “*Egypt Country Profile*”, Economist Intelligence Unit, 2008

#### **Optional:**

- [Udacity online course by Steve blank on how to build a startup](#)
- Egypt (a comprehensive overview): <https://en.wikipedia.org/wiki/Egypt>

### Class 2: November 11<sup>th</sup>, 2019 (no Class on Nov 4<sup>th</sup> –Election Day break)

**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) **Project:** Drafts of the start-up's mission, business model, go-to-market strategy and the problem the joint Columbia-Egypt team will tackle. Failure to submit the drafts on time will result in a grade penalty.

**Class 3: November 18<sup>th</sup>, 2019**

First half: Problem Structure, Hypotheses & Data Gathering Tips

Second half: **Guest Speaker: Soheil Galal:** A short presentation on Egyptian culture & recent history

**Read:**

- “*Egypt Country Report*”, Economist Intelligence Unit, March 2019
- “*Egypt: The End of the Revolution*”, Meg Rithmire, HBS 9-715-041, Sept 10, 2015

**Class 4: November 25<sup>th</sup>, 2019**

The Economy and Business Environment in Egypt and North Africa

**Egypt: Guest Speaker: Jim Harmon** - on Egypt's Economy & Industrial/Financial Sector

**Read:**

- “*Egypt Business Digest*“, American Chamber of Commerce in Egypt, March 2019

**Due:**

- 1) **Project:** Problem Structure, Hypotheses to be explored & Data Gathering before class.

**Class 5: December 2<sup>nd</sup>, 2019**

**Class:** Qalaa Holdings & the Egyptian Refining Co. (ERC)

This case discusses the events surrounding an infrastructure project, called the Egyptian Refining Co. (ERC), undertaken by Qalaa Holdings, the largest private equity firm in Egypt. The case focuses on the challenges of executing a large private infrastructure project in Egypt and the challenges for funding in emerging markets. The main decision point is in 2012, (when ERC project is about to be closed after 6 years of development) due to the 2011 Arab Spring.

**Discussion Questions:**

1. What were the key challenges faced by Qalaa since the inception of the ERC project?
2. What similarities and differences do you see between PE investment investing in Egypt and other Markets (Emerging or Developed)? What does it take to be a successful PE

- investor in Egypt? Does Qalaa have a competitive advantage investing throughout the region?
3. Was pursuing the ERC investment in 2007 the right decision for Qalaa?
  4. Should Qalaa pursue the investment in June 2012?
  5. Why did Qalaa convert to a holding Co? Is the PE fund model viable for a regional player in Africa?
  6. Do you think Qalaa has a viable business model? What should their strategy be?

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

**Class 6: December 9<sup>th</sup>, 2019**

First half: **Preliminary Project Presentations (7 min duration)**

Second half: **Trip Planning Details/Social Contract -Jennifer Tromba Morisco / Paolo Cachecho**

**Due: Project:** Final Project Report & Presentation (in ppt.)

**IN-COUNTRY PORTION OF THE COURSE**

**January 11-18<sup>th</sup>, 2020: Egypt**

**Class 7: Friday February 7<sup>th</sup>, 2020 (FINAL CLASS)**

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

## FAQs

**1. Are we coaching the startup companies from Egypt?**

Answer: No, the Columbia Teams will work from NY as team-members with the start-up companies from Egypt.

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

Answer: The team from Egypt will take the lead in the first ideation process, business model, data collection, and preliminary financial projections. They might already be ongoing companies and have a business plan.

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

Answer: The CBS team will take the lead in solving the problem statement --reviewing the business model, the financials, go-to-market strategy, investor pitch, etc. The CBS team can bring the Egyptian 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 Egypt?**

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 Egyptian 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 or problem statement.

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

Answer: Egyptians 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/>