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 11-18th, 2020
Debriefing & Final Session: Friday, Feb. 7th, 2020

Room: WJW416

Professor: Marco Viola

Contact info: Email – mv2472@columbia.edu; marco@nexuspartners.net
Office – 218 Uris Hall
Phone – (203) 637-7864

TA: Paolo Cachecho
Email: PCachecho20@gsb.columbia.edu
Cell: (929) 250-3938

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 probably take place to Egypt from January 11th to 18th, 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:

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
<th>PERCENTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online &amp; Class Participation</td>
<td>30%</td>
</tr>
<tr>
<td>Written Case Assignments</td>
<td>20%</td>
</tr>
<tr>
<td>Group Project</td>
<td>50%</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>% Grade</th>
<th>Type</th>
<th>Date Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Moulin d’Or Investment Thesis &amp; Valuation</td>
<td>10%</td>
<td>Group (A)</td>
<td>Before Class 2</td>
</tr>
<tr>
<td>2. Qalaa Holdings &amp; the Egyptian Refining Co.</td>
<td>10%</td>
<td>Group (A)</td>
<td>Before Class 4</td>
</tr>
</tbody>
</table>

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 developing 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 in all the aspects of the project from idea development to project pitch (business model, market research, and financial projections) to how to grow the business.

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 29th, 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 of October 31 and November 12 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 Friday January 17th in Egypt.

1. **Project Assignments (20%)**

<table>
<thead>
<tr>
<th>Project Assignment</th>
<th>Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Business Model Canvas, Suggestions where more customer discovery is needed, and Opportunity to scale outside Egypt</td>
<td>11-Nov</td>
</tr>
<tr>
<td>Initial customer discovery findings and final research instrument (e.g., survey)</td>
<td>25-Nov</td>
</tr>
<tr>
<td>Preliminary research findings and financial (revenue and cost) projections</td>
<td>9-Dec</td>
</tr>
</tbody>
</table>

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

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

On December 9th, 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 7th, 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 Group Project**

<table>
<thead>
<tr>
<th>Period</th>
<th>Group Task and Due Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct 25-30</td>
<td>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 <strong>Wednesday October 30th, 2019, noon</strong>. Start-up assignment will be based on first-come, first-served basis. Group membership will be announced on the same day by 5:00PM.</td>
</tr>
<tr>
<td>Oct 31-Nov 12</td>
<td>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 <strong>Monday November 11th, 2019</strong>. Market research (via customer discovery) should gauge how important is the <em>business problem</em> the startup is trying to solve from a customer perspective and how compelling is its <em>innovative solution</em> relative to competition. Thus much of the market research effort involves various aspects of &quot;customer discovery&quot; and &quot;competitive analysis.&quot; 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?</td>
</tr>
<tr>
<td>Nov 13-26</td>
<td>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 <strong>Monday November 25th, 2019</strong>.</td>
</tr>
<tr>
<td>Nov 25-Dec 9</td>
<td>Data collection and financial (revenue and cost) projections.</td>
</tr>
<tr>
<td>Dec 9th, 2019</td>
<td>In-class, project presentation and remaining steps. Preliminary research findings and financial projections are due in class. (Please use assumptions made by Egyptian teams to develop a financial model).</td>
</tr>
</tbody>
</table>

---

Global Immersion Program: Doing Business in Egypt

Prof. M. Viola
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 9-Jan 10</td>
<td>Holiday break. Groups may interact with their Egyptian teams to finalize remaining aspects of the project.</td>
</tr>
<tr>
<td>Jan 11th-</td>
<td>Arrival to Egypt and the beginning of the week-long trip.</td>
</tr>
<tr>
<td>Jan 13th,</td>
<td>Group working session with Egyptian team in Tunis. Purpose is to finalize the project and its pitch. Each Egyptian team will host their MBA group at home in the evening.</td>
</tr>
<tr>
<td>Afternoon and Evening</td>
<td></td>
</tr>
<tr>
<td>Jan 18th, 2020</td>
<td>Pitch in Egypt jointly with the Egyptian team. There will be a final working session with the Egyptian team just before the official pitch.</td>
</tr>
</tbody>
</table>
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

- “Qalaa Holdings and the Egyptian Refining Company”, Victoria Ivashina, HBS 9-217-011, March 1, 2018
Course Schedule & Logistics (TENTATIVE)

Class 1: October 28th, 2019

Brief Introduction to the course logistics and Egypt country overview
Introduction to the Lean Startup Methodology
Guest Speaker, Bob Dorf, Co-Author of The Startup Owner’s Manual

Due by October 30 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 (a comprehensive overview): https://en.wikipedia.org/wiki/Egypt

Optional: Udacity online course by Steve blank on how to build a startup

Class 2: November 11th, 2019 (no Class on Nov 4th –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) 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 Egypt 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 18th, 2019

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 25th, 2019

First Half: 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?
All students need to address the discussion questions by responding to this Qualtrics survey before class.

**Due:** Case Write-up

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

**Class 5: December 2nd, 2019**

The Economy and Business Environment in Tunisia and North Africa

**Egypt:** Guest Speaker on Egypt’s Economy & Industrial Sector

**Read:**  

**Optional:** The Next Arab Spring? Women’s Rights

**Class 6: December 9th, 2019**

Preliminary Project Presentations (7 min duration)  
**Due:** Student project presentations in ppt

**IN-COUNTRY PORTION OF THE COURSE**

January 11-18th, 2020: Egypt

**FINAL CLASS**

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

Course Wrap-up (9AM-12Noon, room xxx Uris) 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 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, preliminary 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 reviewing the business model, the financials and the internationalization strategy. 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. 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: 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 Word 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

Other Internet Resources:

Doing Business (IMF & The World Bank) for measuring business regulation
http://www.doingbusiness.org/data

World Trade Organization:

African Development Bank Group publications:

(1) ADB Group on "North Africa"
http://www.africaneconomicoutlook.org/en/countries/
(2) African Statistical Yearbook 2016

(3) Selected Statistics on African Countries

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


The Economic Research Forum (Cairo, Egypt)
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

Institut de Recherche sur le Maghreb
http://www.irmcemaghreb.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