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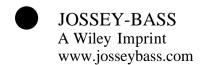
# DESIGNING GLOBAL STRATEGIES, CREATING GLOBAL NETWORKS

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Editors

## **MITSIoan**

Management Review



Introduction 1

Anil K. Gupta and D. Eleanor Westney, Editors

#### **ONE DESIGNING GLOBAL STRATEGIES**

# **Designing Global Strategies: Comparative and Competitive Value-Added Chains**

13

Bruce Kogut

The key to developing a global strategy is identifying the activities of the value chain that give the company its distinctive competitive advantage and then using the differences in comparative advantage across locations to enhance that advantage.

## Global Strategy ... in a World of Nations?

39

George S. Yip

Competitive advantage comes not just from expanding into many locations but also from integrating across locations; however, the pay-off from cross-border integration can vary across industries, depending on the strength of the various drivers of globalization.

### 3 Lean Production in an International Supply Chain

67

David L. Levy

Combining global sourcing with a lean production strategy requires managers to focus attention on certain elements of lean production, such as design-for-manufacture and strong quality efforts, while relaxing other practices, such as zero inventory.

#### 4 Prepare Your Company for Global Pricing

87

Das Narayandas, John A. Quelch, and Gordon Swartz In order to create value from global pricing contracts, suppliers need to proactively understand the potential benefits and the potential risks for their customers as well as for themselves.

#### 5 New Strategies in Emerging Markets

107

David J. Arnold and John A. Quelch
Local knowledge is particularly crucial in emerging
markets where such knowledge can help the global
firm not only in penetrating these markets but also
in capitalizing on opportunities for innovation and
reverse learning.

## 6 Global Sustainability and the Creative Destruction of Industries

137

Stuart L Hart and Mark B. Milstein
Building global advantage while pursuing sustainable development requires the development of different strategies for the three different types of markets: developed economies, emerging market economies, and survival economies.

## PAHT TWO BUILDING AND MANAGING THE GLOBAL NETWORK

## 7 Managing Across Borders: New Organizational Responses

163

Christopher A. Bartlett and Sumantra Ghoshal
Corporate headquarters can no longer control all
interactions in a hub-and-spoke mode but must
move toward systems that coordinate cross-unit
networks and that elicit the cooperation of subsidiary
managers—rather than ordering it.

#### 8 Making Global Strategies Work

187

W Chan Kim and Renee A. Mauborgne

Due process in global strategic decision-making can
ensure that subsidiary managers are more likely not
only to comply but also to follow through on both
the spirit and the letter of decisions.

#### 9 Subsidiary Initiatives to Develop New Markets

225

Julian M. Birkinshaw and Joseph N. Fry
In order for a multinational company to realize the potential for innovation embedded in its internal dispersion and diversity, corporate headquarters must encourage subsidiary managers to be entrepreneurial.

#### 10 Building an Effective Global Business Team

249

Vijay Govindarajan and Anil K. Gupta
Networks across subsidiaries are often built and
managed through global business teams. Building
and managing such teams involves three key challenges: defining the team charter, choosing team
members, and managing the team process.

11	Negotiating with "Romans" Stephen E. Weiss	269
	The choice of a negotiation strategy should depend not just on the identity of the negotiator and the counterparts from the other culture but also on mutual familiarity. A spirit of continuous learning—about oneself and others—is central to cultivating cross-cultural negotiating expertise.	
12	Developing Leaders for the Global Frontier	307
	Hal B. Gregersen, Allen J. Morrison,	
	andj. Stewart Black	
	Global leaders are both born and made. The four personal characteristics of effective global leaders are: unbridled inquisitiveness, personal character, duality, and business and organizational savvy.	
	The Authors	335
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