# GLOBALIZATION MODELS

GLOBAL BUSINESS STRATEGY

FGSIB & SJSU

# MICHAEL PORTER

- 5 FORCES
- COUNTRY COMPETITIVENESS
- VALUE CHAIN
- INNOVATION
  - LESS OF A MODEL, MORE OF A DYNAMIC

# HOME BASE MODEL

- INNOVATION IS KEY
- CLUSTERS, AGGLOMERATION EFFECTS
- HUB & SPOKES
- HIERARCHICAL MODEL W/ FRICTION

# TRIAD MODEL

- KEN'ICHI OHMAE AS PROMOTER
- CANNOT RUN THE WORLD FROM ONE LOCATION & ONE SOURCE
- 3 RELATIVELY EQUAL REGIONS, EACH W/ OWN REGIONAL HDQTRS
  - NORTH AMERICA
  - EUROPE (especially a united Europe)
  - ASIA (with Japan as the core economy)

# TRIAD MODEL II

- REGIONAL HEADQUARTERS
  - WITH FRICTION
    - CROSS SUBSIDIES ARE DIFFICULT
    - LOCAL POLITICS (“POLITICS ARE LOCAL, ECONOMICS IS GLOBAL,” PETER DRUCKER)
    - AUTONOMY PULL OF COUNTRY & BUSINESS MANAGERS
  - WITHOUT FRICTION
    - RELATIVELY EASY CROSS-REGIONAL TRANSACTING
    - REGIONAL, COUNTRY, UNIT DIFFERENCES ARE NOT DAUNTING

# TRANSNATIONAL SOLUTION

- CHRISTOPHER BARTLETT & SUMANTRA GHOSHAL
- FIRM AS A GLOBAL NETWORK
  - WITHOUT MUCH FRICTION
  - FROM EACH ACCORDING TO HIS ABILITIES, TO EACH ACCORDING TO HIS NEEDS
  - FIRM AS A UNIFIED GLOBAL ACTOR THAT LOOKS LIKE A NETWORK ORGANIZATION

# GLOBAL NETWORK MODEL

- WITHOUT FRICTION
  - BARTLETT & GHOSHAL
- WITH FRICTION
  - PROCEDURAL JUSTICE
  - RECONTEXTUALIZATION
  - LEARNING TO KNOWLEDGE TRANSER

# MODEL IN THE MAKING

- INNOVATION OCCURS AT INTERFACES/ INTERSTICES OF THE SYSTEM
- FRICTION IS REAL (POLITICS, DISTANCE, DIFFERENCES)
- LEARNING IS LOCAL, KNOWLEDGE IS NOT
- FROM CONTROL TO COMMITMENT (TO CULTURE?)
- NETWORK ORGANIZATIONS ARE NOT FIRMS IN DISGUISE
- NETWORK VS. VALUE CHAIN EFFECTS

# MANAGING CONTEXT, DISTANCE & DIFFERENCE

- CC & DD
- LEARNING-KNOWLEDGE CONVERSION
- KNOWLEDGE SHARING ACROSS DISTANCE & DIFFERENTIATED CONTEXTS