

# SMART GLDBAUZA1

## DESIGNING GLOBAL STRATEGIES, CREATING GLOBAL NETWORKS

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Editors

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## **ONE DESIGNING GLOBAL STRATEGIES**

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<b>Designing Global Strategies: Comparative and Competitive Value-Added Chains</b>	<b>13</b>
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*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.

<b>Global Strategy ... in a World of Nations?</b>	<b>39</b>
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*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**

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- 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.

<b>11</b>	<b>Negotiating with "Romans"</b>	<b>269</b>
	<i>Stephen E. Weiss</i>	
	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.	
<b>12</b>	<b>Developing Leaders for the Global Frontier</b>	<b>307</b>
	<i>Hal B. Gregersen, Allen J. Morrison, andj. Stewart Black</i>	
	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.	
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