



INTERNATIONAL STRATEGIC MANAGEMENT



the comprehensive and ongoing management planning process aimed at formulating and implementing strategies that enable a firm to compete effectively on a global scale.

3 Sources of Competitive Advantage



*location efficiencies
economies of scale
economies of scope*

international businesses are better able than purely domestic firms to exploit and respond to changes and differences in their operating environments.

The diverse operating environments of multinational corporations (MNCs) may also contribute to organizational learning.

4 Strategic Alternatives



Home Replication

Leverages the core competency or firm-specific advantage a firm developed at home as its main competitive weapon in the foreign markets that it enters.



Multidomestic

A multidomestic corporation views itself as a collection of relatively independent operating subsidiaries, each of which focuses on a specific domestic market.



Global

A global corporation views the world as a single marketplace and has as its primary goal the creation of standardized goods and services that will address the needs of customers worldwide.



Transnational

This strategy carefully assigns responsibility for various organizational tasks to that unit of the organization best able to achieve the dual goals of efficiency and flexibility.



A Balancing Act

