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A Dynamic Global Integration and Local Responsiveness Framework: Understanding Strategic Movements of Multinational Enterprises

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Abstract

The aim of this paper is to further the understanding of the interactive relationships between environmental dynamics and the strategic development of multinational enterprises. A dynamic perspective on the global-integration and local-responsiveness (IR) framework is introduced and a dynamic IR framework proposed. Our analysis follows the logic of content analysis with a multiple-case study methodology. There are 25 cases collected from public case banks such as the Harvard Business School, the Asia Case Research Center and the IBS Center for Management Research, etc. Eight types of strategic movements and the pattern of environmental forces are identified and discussed. Our empirical evidence shows that the strategic development of most MNEs is determined by the environmental forces. We suggest that our dynamic IR framework presents an expanded and advanced work as a guide for MNEs to foretell and conduct proper strategic movements to compete against environmental opportunities and threats.

Key Words: *Dynamic View, Global-Integration and Local-Responsiveness Framework, International Business, Strategic Change, Content Analysis.*

Introduction

The global integration and local responsiveness (IR) framework (Bartlett and Ghoshal, 1993) is viewed as one of the most influential theories in the international management field. It has contributed to the generalized and integrated understanding of how a multinational firm's operations and value chain embeds into the global market, as well as its conducting of strategic development (Bartlett and Ghoshal, 1993; Kanter and Dretler, 1998; Powers and Loyka, 2010). The IR framework provides business managers and academic researchers with a systematic approach by which to frame and guide multinational enterprises' (MNE) strategic formation and implementation (Bartlett and Ghoshal, 1993; Cavusgil, Knight, & Riesenberger, 2011; Daniels, Radebaugh, & Sullivan, 2013; Devinney, Midgley, & Venaik, 2000).

According to IR analysis, environmental pressures can be generalized into two determinants: global integration (GI) and local responsiveness (LR). GI pressure is strongly affected by the degree of globalization and is a reflection of the central coordination management system, which integrates an MNE's global business operations through close cooperation and interdependence between its headquarters and its international subsidiaries. LR pressure is generally detected by the degree of consumer divergence and is a reflection of an MNE's operations, the aim of which is to achieve maximum local responsiveness so as to match different national or local market conditions through customized product offerings and marketing strategies (Roth and Morrison, 1992; Kanter and Dretler, 1998; Daniels, et al., 2013). The four typical strategy modes as determined by the pressure levels of GI and LR are the international strategy (low pressure in both GI and LR), multinational or multi-domestic strategy (low pressure in GI; high pressure in LR), global strategy (high pressure in GI; low pressure in LR) and transnational strategy (high pressure in both GI and LR) (Bartlett and Ghoshal, 1993; Daniels, et al., 2013).

Despite the significant contribution of IR theory, it can be viewed as incomplete or static, especially as regards exploring how and why an MNE conducts strategic movement or strategic innovation (i.e. changing strategic formulation and implementation) in response to market changes. In this field of research, such strategic movement signals a change in international strategy in order to adapt to environmental uncertainty by reinventing and redesigning the organization's corporate strategy, generating value for itself as well as customers and building up its competitive advantage (Liao and Rice, 2010; Smith, Binns and Tushman, 2010). Since the IR framework is mainly based on the analysis of a company's external factors (i.e. GI, LR and related factors), the framework is generally viewed as an outside-in approach to analyzing MNEs' potential behavior and strategic formulation.

For most industries, the only certainty can be the uncertainty and rapidity of change in the global market. Even with the guidance it provides MNEs in terms of building up a so-called optimized strategy in response to the potential dynamics in global circumstances (Bartlett and Ghoshal, 1993; Ghoshal and Nohria, 1993), an IR framework remains a cross-sectional observation, which does not specifically take into consideration how an international firm is to face, operate in or evolve in a rapidly changing environment. This is why there is the tendency for the IR framework to be referred to as a static model. As such, as this paper argues, a dynamic view for the IR framework is required.

In this groundbreaking research, a dynamic view for the IR framework is proposed and introduced. We present a comprehensive way of understanding the interactive relationships between environmental dynamics and the strategic development of MNEs. We investigate the potential paths of strategic movement for MNEs as per the four strategy modes defined originally by the IR framework. In addition, we explore the patterns of environmental dynamics and their 'pull' and 'push" effects on MNEs' strategic changes.

In pursuit of comprehending changes in both firms' environment and strategy via the dynamic IR framework, the research consists of 5 main parts. After the introduction at the beginning, there is a theoretical contribution part in which a dynamic IR framework is introduced. The third section is about research method. The following part shows empirical findings and our discussions. The conclusion with the research contributions and limitations is presented at the last part.

Dynamic IR Framework

The word 'dynamic' generally implies change. For firms especially, such change happens in both external and internal environments, as well as in the interactions between the two (Liao and Rice, 2010). Teece, Pisano and Shuen (1997, p.515) take the meaning of 'dynamic' a step further, defining it as "the capacity to renew competences so as to achieve congruence with the changing business environment." In the international market, we thus argue, a successful multinational firm should be able to respond effectively to market changes through timely strategic movement. Such environmental dynamics can be generalized and categorized into three types: two are external changes, market integration/disintegration and market competition intensity, while business model innovation is an internal change.

Economic integration (or disintegration) (Baldwin and Venables, 1995; Rosamond, 2000; Balassa, 2013) is defined as an abolition (or creation) of discrimination among individual countries (Balassa, 2013), which causes homogeneity/heterogeneity across different nations. This definition, however, is essentially political. Integration happens not only in economic levels, but also in specific economic sectors. We, therefore, 'use market' or 'economic region' integration (disintegration) to refer to a convergence (divergence) regarding both legal system and customers' preferences (Daniels, et al., 2013) among individual markets, that simultaneously increases (decreases) the requirements for GI and decreases (increases) those for LR.

In strategy literature, cost leadership and product differentiation (Hill, 1988; Reitsperger, Daniel, Tallman, & Chismar, 1993), which are similar to global and multinational strategy types in an IR framework (Bartlett and Ghoshal, 1993; Daniels, et al., 2013), respectively, are considered to be classical and fundamental strategies. To operate in an intensely competitive market, a successful company must follow the former, the latter or both in order to survive and thrive.

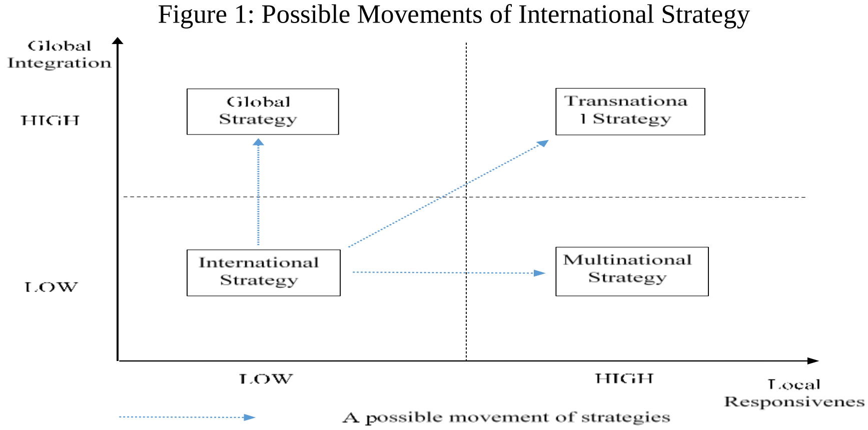
The above-noted external factors are not unique determinants of environmental changes. Companies endeavor to actively sustain above-average economic rents by moving from current competitive advantages to new ones (D'Aveni, 1994; Dickson, 1996). Fast dynamics, which are more apparent in the smart phone and tablet industries, occur when incumbents are constantly changing in order to obtain a competitive advantage over their rivals. In an era of constant dynamics, business model innovation (Chesbrough, 2010; Demil and Lecocq, 2010; Johnson, Christensen, & Kagermann, 2008) is the means to not only foster a firm's growth, but also to reshape the industry as a whole.

To investigate the strategic movement of MNEs in response to their operational environments, we introduce such a view of dynamics into the IR framework. Based on the combinations of strategic movement, a total of 12 types of strategic movement are now described.

Strategic Movement from International Strategy

When an MNE's operational environment is considered to be at a low-pressure level for both GI and LR, an international strategy is potentially the proper one for its operations. However, when either determinant, or both, changes to a high-pressure level, an MNE would require a new strategy to better fit the environmental change so as to result in strategic movement, as listed below (see Figure 1).

Figure 1: Possible Movements of International Strategy



Multinational Strategy: When customer preferences evidence significant differences among target markets, which can be obvious in a global market expansion into new and heterogeneous markets (Daniels, et al., 2013; Michalek, Ebbes, Adigüzel, Feinberg, & Papalambros, 2011; Igami and Yang, 2016), an MNE's LR pressure would require it to adapt its product offerings to be more customer- or target-oriented. This MNE can transform itself and become multinational strategy-oriented.

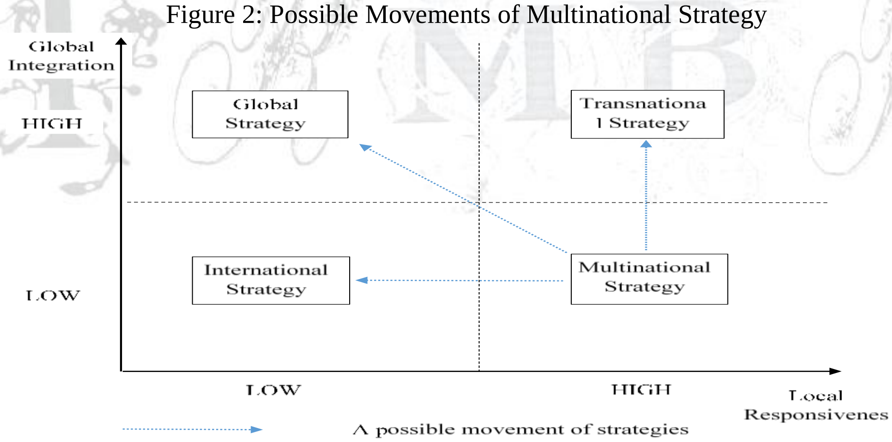
Global Strategy: In highly competitive markets where dynamics is the only constant (D'Aveni, 1994; Dickson, 1996), MNEs may find or predict that technological forces, for instance, can push congruence in market needs (Acs and Preston, 1997; Hrynyshyn, 2002), or they might see the importance of low cost but high quality in their competition. Hence, GI pressure increases, and MNEs tend to move toward a global strategy.

Transnational Strategy: An MNE tends to shift its strategic orientation from international to transnational when it is faced with a huge or perhaps rapid change in its operational environment. The transnational strategy mode is often viewed as a combination of multinational and global strategy. Firms must be successful in satisfying local market demand, but they also need to conduct global learning activities through duplicating the best example of local operations in the global market (Daniels, et al., 2013). In this way, MNEs can adopt a standard process when expanding global business ventures.

Strategic Movement from Multinational Strategy

Multinational strategy is the basis of MNE operations in markets primarily required to respond to local demands. In theory, there are three strategic movements according to the IR framework, as listed below (see Figure 2).

Figure 2: Possible Movements of Multinational Strategy



International Strategy: This is possibly caused by technological forces, such as the Internet and telecommunications or by economic integration in a region, as local demands are gradually displaced. The pressure of LR may decrease to a relatively low level. If a multinational strategy is maintained, a multinational strategy-oriented MNE would be faced with managerial inefficiency, which would be disadvantageous (Daniels, et al., 2013). In this situation, the better option would be to shift to an international strategy.

Global Strategy: In addition to the phenomenon of local demand convergence, there is the increased pressure resulting from global integration. A multinational strategy-oriented MNE, in opting for a global strategy, may be motivated to increase its managerial efficiency through a buildup of its standardized business processes or to increase its production efficiency through standardizing or modulating its products.

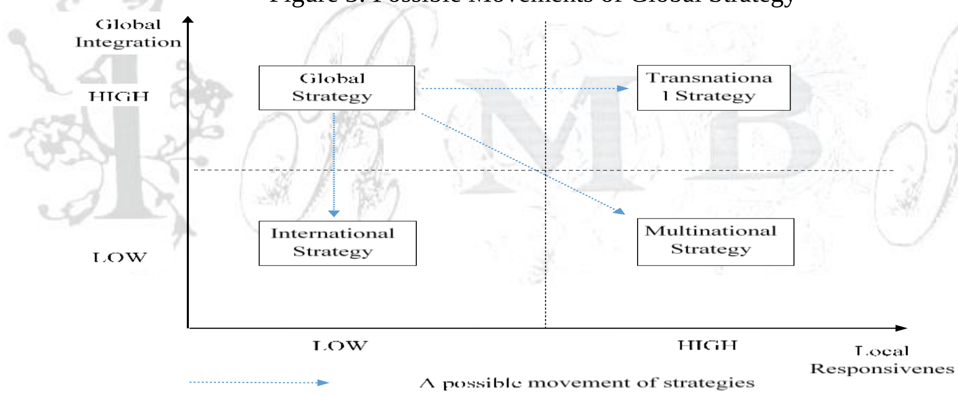
Transnational Strategy: If the LR pressure of a multinational strategy-oriented MNE's operational environment remains high and it also faces a strong demand for global integration, the change to a transnational strategy would be better for its development. P&G exemplify this condition. In the late 1980s, prior to implementing a multinational strategy, P&G conducted a matrix operational structure that allowed the Company to far more efficiently manage its countless product categories in the global market (Bartlett, 2004). Such a transformation solved P&G's difficulties as regards profit limitation and managerial inefficiency (Bartlett, 2004).

Strategic Movement from Global Strategy

The global strategy mode of the IR framework outlines MNEs with a strategic orientation which tends towards global integration. The three strategic movement tendencies which may occur are detailed in Figure 3.

International Strategy: The strategic movement from global to international exists if the pressure of global integration from the market decreases to a low degree. Manufacturing service businesses (i.e. OEM and ODM) are an example of this situation. Global strategy works if the production meets the economies of scale. However, when market pull power weakens and remains so for an extended period, economies of scale may be impossible to maintain. Firms trapped in this situation can implement an international strategy by increasing production flexibility to meet the demands of various niche markets in order to maintain its economies of scale.

Figure 3: Possible Movements of Global Strategy



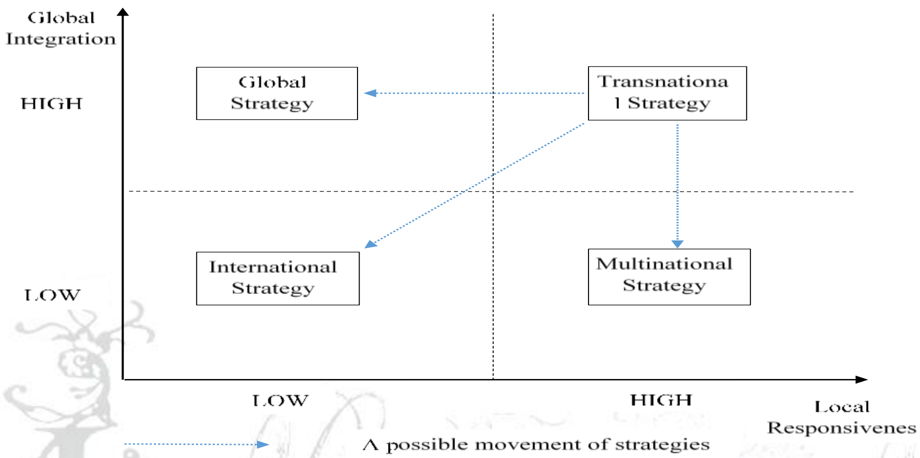
Multinational Strategy: A global strategy-oriented MNE is likely to ignore customer divergence while benefits from standardization exist. However, if this firm intends to expand its business into new markets where the cultural or nationalism predisposition is relatively strong, it may need to sacrifice its operational efficiency in order to satisfy local customers through tailoring special product offerings or fitting into the local value chains. This transformation is a manifestation of strategic movement to a multinational strategy.

Transnational Strategy: If a global strategy-oriented MNE intends to meet local demand, but also maintain a certain level of standardization in its operations and management, it would face both GI and LR pressures. Moving to a transnational strategy should then be considered. In terms of global quality and management efficiency, Coca Cola, for example, clearly values its standardized processes. However, in the past decade, as Coca Cola faced global competition, its strategic orientation became transnational (Rugman and Hodgetts, 2001). In addition to maintaining the standardized process in all its production facilities, it became more aggressive in offering specialty products to satisfy customer tastes in various local markets (Rugman and Hodgetts, 2001).

Strategic Movement from Transnational Strategy

A transnational strategy is considered to be the highest strategic level in terms of the complexity of the IR analysis, as it enables MNEs to achieve the advantages available from both global and multinational strategic modes. Owing to the global learning mechanism, a transnational strategy-oriented MNE often adapts well to the global market. This strategy type is viewed as the ultimate strategy an MNE can pursue (Daniels, et al., 2013). In theory, there are three strategic movements a transnational strategy-oriented MNE can adopt when making a change in strategy (see Figure 4).

Figure 4: Possible Movements of Transnational Strategy



Multinational Strategy: The environmental dynamics whereby an MNE's target markets change from a transnational strategy orientation to a multinational strategy orientation would be reflected in an MNE's strategic movement. For example, in the event of the disintegration of an economic region or a radical policy change by the host government, the pressure of local responsiveness would increase significantly (Daniels, et al., 2013). In addition, a transnational MNE may fail in global learning and managerial inefficiency in standardization (either organizational process or products and services) when it faces a strong trend of divergence in the local culture or a national predisposition in its target markets. Moving to a multinational strategy should then be considered.

Global Strategy: In contrast to moving to a multinational strategy, economic region integration would be one reason for a transnational strategy-oriented MNE to move to a global strategy. The free-market mechanism eliminates political differences among economic bodies (or countries), while at the same time advancing resource exchanges, such as capital, labor, natural resources and even knowledge and technologies (Daniels, et al., 2013). In this way, it neutralizes the pressure of local responsiveness. When a transnational MNE operates in such markets, better operational efficiency would result from changing to a global strategy orientation.

International Strategy: Researchers like to note that firms' operational environments can tend to become increasingly complex. However, an MNE's target markets can become far 'simpler', due to a relatively low pressure level from both GI and LR (as with the reasons mentioned above for a transnational MNE moving to multinational or global strategy), or an MNE's original business can fail, but it will seek out new business in an international strategy-oriented industry in order to recover. In this case, the MNE would not maintain a transnational strategy that is relatively costly and has a complex management system.

Methodologies

Method

The analysis herein follows the principle of content analysis (Elo and Kyngas, 2008) with a multiple-case study approach (Eisenhardt, 1989). In a qualitative approach, our analytical approach is critical in extending the knowledge boundaries and advancing the generalizability of existing theories through integrating them with new empirical insights (Yin, 1994; Ghauri, 2004; Eisenhardt and Graebner, 2007; Vissak, 2010). In addition, we believe that the method used to reveal new patterns of MNE strategic movements deepens our insight into how MNEs interact with market change in the global environment.

Case Collection

A total of 25 cases were collected for our analysis, all of which are published cases for scholars and researchers for research and teaching purposes from several case banks. These case banks are Harvard Business School (HBS), Stanford Graduate School of Business (SGSB), European Management Journal (EMJ), Asia Case Research Center (ACRC), IBS Center for Management Research (IBS), Richard Ivey School of Business (RISB), Indian Institute of Management Bangalore (IIMB), Business Case Studies (BCS), and The Case Centre (TCC). The cases were not collected randomly, as it was necessary to ensure that they could satisfy our research purpose of investigating the interactive relationship between MNEs' strategic movement and changes in their operational environment. The cases represent a wide range of industries: media and entertainment (STAR and Walt Disney); food and beverage (Heinz, KFC, Nestlé, Coca Cola); manufacturing (Bosch, Endesa, Haier, Honda R&D, Morgan Crucible, NEC, Samsung, Siemens AG); medical and pharmaceutical (Medtronic, Novartis, P&G, Rhône-Poulenc S.A); fashion (Benetton Group); logistics and retail (IKEA, Li & Fung); and others (Diethelm Keller SiberHegner, Western Union, Jacobs Suchard, SANY).

Data Analysis

Case study analysis is generally considered to be a subjective methodology, because the result relies on how researchers perceive the content of the participant cases (or documents). In order to avoid this 'subjective' concern, and with the intention of creating a certain level of consistency in the analysis of the participant cases, we developed the case analysis mode. We define two rules to ensure the consistency of the case analyses, including defining the international strategy types and defining differences in environmental dynamics. In addition, environmental factors and their impacts on GI and LR pressure are taken into account.

Defining internationalization strategy types

According to IR analysis, there are three main factors (business orientation, management structure design, and global learning process) which distinguish the four types of international strategy (Daniels, et al., 2013). Orientation criterion, however, it is quite ambiguous and hard to observe because it is just a guide for an international firm. Hence, products' characteristics that are more observable, are chosen instead of orientation. Intermediate products are usually relative to the international strategy because there are low requirements in both GI and LR for them. In case of finished merchandises, are they either standardization or customization, or even both? Standardized goods are related to efficiency and cost minimization that are advantages of global strategy. Whereas customized or specialized products imply high responses to local customers that are a multi-domestic strategy's strength. When the firm supplies both specialized and standardized products, it is implementing transnational strategy (Daniels et al., 2013).

The second concern is about designing in management structure. Management structure is manifested in decision making, organizational structure, and the headquarters power (Daniels et al., 2013). Centralized and decentralized structures are used as a signal for international/global strategies and multinational/transnational ones, respectively. A matrix structure in both vertical (product divisions) and horizontal (local areas) organization is a manifestation of the transnational type. Headquarters' power (Daniels et al., 2013) is also a measure. Exporting company in which the headquarters has all of authority implies the international strategy, while in global strategy the parent company must consider coordination among itself and subsidiaries so that it does not have exclusive, but only high power. Despite having a same decentralized structure, headquarters of transnational firms generally have more power on brand than multi-domestic ones.

In addition, the signs for global learning process, in MNEs' management activities, in which successes or experiences from one subsidiary could be implemented in others in order to "drive innovations to serve global and local markets" (Daniels et al., 2013, p. 471), occur in only transnational strategy type. These internationalization strategy types (ISTs) and their distinctive criteria are clearly presented in the following table.

In conducting the analyses of our participant cases, identifying the strategic change according to the abovementioned factors is the core task in this study. Even though not every case study provide full of criteria, they are enough to define because of their distinctions.

Table 1: Internationalization strategy types and their distinct criteria

	International	**Multinational**	**Global**	**Transnational**
Product Criteria	Intermediate	Customized	Standardized	Customized and Standardized
Decision making	Centralized	Decentralized	Centralized	Decentralized
Organizational structure	Vertical	Horizontal	Vertical	Matrix
Headquarters power	Exclusive	Low	High	Medium
Global learning	No	No	No	Yes

Environmental factors and their influences on GI and LR pressures

In terms of defining environmental dynamics, environment factors – from external ones such as the mega environment factors (specified into market integration/disintegration) (Balassa, 2013; Baldwin & Venables, 1995; Rosamond, 2000), and the competition factors (referring to the factors, such as rivals' strategic changes, attacks and defenses, within the competition areas where MNEs operate) (Chen, Su, & Tsai, 2007; Chen & Miller, 1994; Hoenen, Nell and Ambos, 2014; Porter, 1991); to internal factors like business model innovation (Chesbrough, 2010; Johnson, et al., 2008; Lecocq, 2010) (triggered by a change of firm's competences, resources, operational structure, or management vision) – are considered as forces that cause environmental uncertainty and are likely lead to firms' strategic transformation (Chesbrough, 2010; Christensen et al., 2008; Demil and Lecocq, 2010; Wirtz, Pistoia, Ullrich, & Gottel, 2016).

Based upon IR framework theory (Bartlett & Beamish, 2010; Bartlett & Ghoshal, 1993; Cavusgil et al., 2011; Daniels et al., 2013; Devinney et al., 2000), environmental complexity can be identified into three levels, being 'low', 'medium', and 'high' levels, according to the GI and LR pressures. For the low level, environmental pressures are considered low in both GI and LR determinants; for the medium level, only either GI or LR determinant contributes a high environmental pressure; for the high level, high environmental pressures are from both GI and LR aspects. By figuring out environmental complexity degrees and needs of GI and LR as in the table 2, we have generalized particular situations in which environmental requirements change.

Table 2: Environmental complexity degrees and their situations

	LR decreasing	LR increasing
GI increasing	*(Medium)* Global expansion into homogeneous markets Economic integration High market competition Business model innovation	*(High)* Global expansion into both homogeneous and heterogeneous markets Extremely high market competition Business model innovation
GI decreasing	*(Low)* Market contraction Low market competition	*(Medium)* Global expansion into heterogeneous markets Economic disintegration High market competition Business model innovation

When a market contracts or competitions no longer exist, it leads to decreases in requirements of both LR and GI. The lowest degree of environment occurs. The intermediate (medium) level of environment encompasses two cases (LR decreasing while GI increasing, and vice versa). The former one stems from firms' expansions into similar markets or an economic integration. In contrast, either an expansion into heterogeneous markets or an economic disintegration could create the latter. The most complex environment happens when LR and GI simultaneously increase. In case of penetrating into both homogeneous and heterogeneous markets and/or the competition is becoming extremely intensive, the firm absolutely needs to meet both GI and LR to compete and thrive.

Different from external dynamics, internal dynamics (business model innovation) could guide firms' requirements in terms of GI and LR in both medium and high environmental complexity markets. For example, when the firm has adequate capabilities to obtain economics of scale, it would require itself high degree of GI, whereas LR would be strongly focused if customization is its primary objective.

Defining environmental forces – push and pull effects

Under influences of these factors, environmental forces (or interaction between MNEs and environment) can be categorized into push and pull forces that stimulate firms' transitions. The means to define them, however, does not depend on the environment itself, but on the individual firms affected. A change in environmental condition can be a pushing force for a particular company if it happens after the company's movement. In this case, push effects are proactive actions. For instance, when a firm sees or predicts a trend and acts decisively to take advantage of this change, this becomes a push power for the firm's transformation. Such an environmental force looks similar to the first two steps of the dynamic capability process from Teece (2007). If a particular firm possesses sensing capability, it can recognize opportunities or threats as consequences of changes in either external or internal conditions. This sensing capability allows the firm to take advantage of the opportunity presented or to avoid potential difficulties in advance. The Jacobs Suchard Company sensed the advent of the EU and capitalized on the opportunity (Eccles and Holland, 1989), while Heinz sensed its business sigmoid curve and successfully avoided a threat.

On the other hand, a pulling force is an environmental change which exists prior to the strategic movement. It is considered as a firm's reactive action. The firm is not aware of the change until problems start to occur, signs of an incongruent operating system in a new environment. To overcome the problems and survive, the firm must change itself. While the pushing effect is caused by a firm's active response, the pulling effect is related to its passive response. Examples of the pull force at work are STAR (Piper, 2006), and Morgan Crucible, which experienced remarkable decreases in sales and profits before decisions were made to transform the firms. In cases of no strategic change, there are no environmental forces, neither pull nor push.

As previously noted, a particular change in surroundings can be a pushing force for one company, but a pulling force for another. In the smart phone industry, a change in customers' preferences, such as for a virtual keyboard on a touch screen, serves as an example. Apple, with the launch in 2007 of the first generation of iPhone, utilized and even led future trends and became a giant in the smart phone industry. Blackberry, on the other hand, has struggled to follow the market trend and survive after being content for too long with its physic QWERTY keyboard. Opportunities or challenges, therefore, depend on how an MNE evaluates and reacts to environmental uncertainty.

Empirical Findings

From our 25 cases, we reveal 29 strategic movements among the four types of internationalization strategy. In presenting the data and results collected and analyzed, we brief and showcase our collected cases by listing them in the Appendix.

Our empirical results prove the concept of a dynamic IR framework in which there exists environmental and strategic movements. The empirical results are summarized in 8 tables from Table 3 to Table 10, and Figure 5. The findings show 8 types of strategic movements as revealed from our observations, while, theoretically, according to the IR framework, the combination of strategic movements would number 12.

Table 3: Detected Movements from International to Multinational Strategy

Case Study (Case No.)	External Changes	Internal Changes	Environmental Forces	References (Case Banks)
STAR (10)	New Customers' preference in new markets		Pull	HBS
Morgan Crucible (12)	A deindustrialization process due to the recession in late of 1970s		Pull	BCS
Bosch (5)	Geographic distance and the World War II		Pull	IIMB & HBS
Haier (18)		Seeing U.S. position was strong enough	Push	ACRC & HBS
Endesa (19)	Sensing significant changes in regulations and future of utility industry		Push	HBS
Western Union (20)	Sensing an increase in diversity of local markets' demand		Push	RISB & HBS

Table 4: Detected Movements from International to Global Strategy

Case Study (Case No.)	External Changes	Internal Changes	Environmental Forces	References (Case Banks)
Benetton Group (15)	Higher competitive market because of new entrants		Pull	HBS
Novartis (17)		An increase of internal capabilities after a merger of Ciba-Geigy and Sandoz	Pull	HBS

Table 5: Detected Movements from International to Transnational Strategy

Case Study (Case No.)	External Changes	Internal Changes	Environmental Forces	References (Case Banks)
DKSH (22)	Asian Crisis in 1997		Pull	SGSB & HBS
Li & Fung (3)	High Competition & Seeing market uncertainty in future via rigorous analysis		Pull & Push	SGSB & HBS
Medtronic (21)	Sensing opportunities in emerging markets		Push	HBS
Sany (23)		Seeing international markets position was strong enough	Push	HBS
Samsung (25)	Seeing potential problems of lacking a global brand & Anticipating highly different local demands		Push	TCC

Table 6: Detected Movements from Multinational to Global Strategy

Case Study (Case No.)	External Changes	Internal Changes	Environmental Forces	References (Case Banks)
Novartis (17)		Management structure becoming too complex	Pull	HBS
KFC (11)	Markets became saturated and highly competitive		Pull	HBS
Jacobs Suchard (4)	Seeing a new future of European Union		Push	HBS

Table 7: Detected Movements from Multinational to Transnational Strategy

Case Study (Case No.)	External Changes	Internal Changes	Environmental Forces	References (Case Banks)
P&G (1)		Overlaps in regional productions & Benefit conflicts between subsidiaries and the corporation	Pull	HBS
Rhone-Poulenc S.A (16)	Transformation of competition to global scope		Pull	HBS
Nestlé (24)	Intense competition	Unstainable expansion via acquisitions	Pull	TCC
Heinz (14)		Seeing the sigmoid curve of success	Push	BCS
Bosch (5)	Sensing opportunities from both global and local demands		Push	IIMB & HBS

Table 8: Detected Movements from Global to Multinational Strategy

Case Study (Case No.)	External Changes	Internal Changes	Environmental Forces	References (Case Banks)
Walt Disney (8)	Customers' demand changed in new market		Pull	EMJ
Honda R&D (9)	Seeing different business environment in the new market		Push	ACRC & HBS
Novartis (17)	Sensing a saturation of traditional markets & Seeing different customers' demands in emerging markets		Push	HBS

Table 9: Detected Movements from Global to Transnational Strategy

Case Study (Case No.)	External Changes	Internal Changes	Environmental Forces	References (Case Banks)
IKEA (2)	New customers' demand in new market		Pull	IBS
Coca Cola (6)	Global preference became diverse	Conflicts between headquarters and subsidiaries	Pull	EMJ
NEC Corporation (7)	Different customers' demands in the new market		Pull	HBS
Siemens AG (13)	Predicting an influence of currency fluctuation		Push	BCS

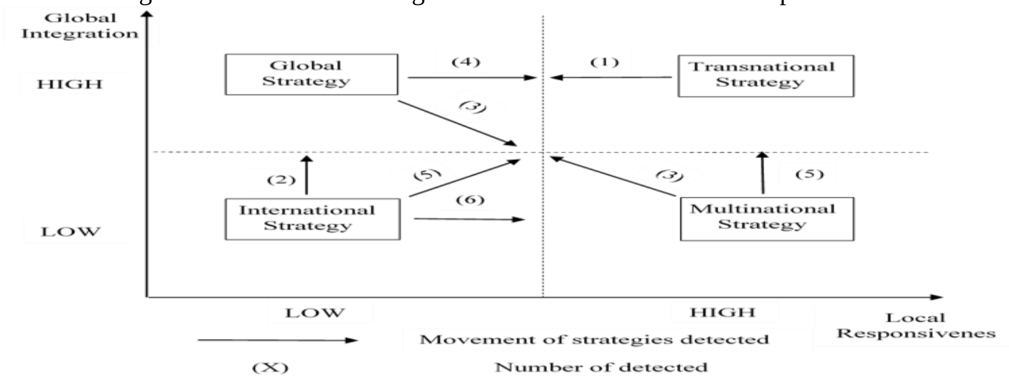
Table 10: Detected Movements from Transnational to Global Strategy

Case Study (Case No.)	External Changes	Internal Changes	Environmental Forces	References (Case Banks)
P&G (1)	Number of markets increased	Organizational structure became too complex	Pull	HBS

This study found that almost all MNE strategic movements shifted either from a lower level to a higher level or between the same levels according to the extent of GI and LR pressures in their marketplaces. For low-to-high movements, these include 'International to Multi-domestic' (6 cases), 'International to Global' (2 cases), 'International to Transnational' (5 cases), 'Multinational to Transnational' (5 cases) and 'Global to Transnational' (4 cases).

The strategic movements between the same levels include 'Global to Multinational' (3 cases) and Multinational to Global (3 cases). In our investigation, we also identified one most interesting case of high-to-low-level strategic movement: P&G at the later stage moving from a transnational strategy mode to a global one.

Figure 5: Number of Strategic Movements Detected from Empirical Data



In addition to the patterns of strategic movement, we explored the environmental dynamics (in either internal or external environments), which can be categorized into two effect modes on MNEs' strategic movements, that of 'push' and 'pull'. The push effect happens if the environmental changes follow an MNE's strategic movements. The pull effect occurs when an MNE's operational environment change leads to or guides its strategic movement.

Discussions

In this paper we explore the dynamic patterns of MNEs' strategic movements and environmental dynamics. From our investigation, the present findings support our research concept of a dynamic IR framework. We discuss our findings in three parts: the general patterns of strategic movements, the patterns of environmental forces as pull and push effects, and inside concepts under strategic transformations.

General Patterns of Strategic Movements

Being congruent with three level of environmental dynamics, appropriate internationalization strategy types are also categorized into three levels in our research. International strategy is located at the lowest level. An international strategy firm could export its advantages abroad, but the operating system is less receptive than multi-domestic firms', and is lower than global ones' in terms of efficiency. Global and multinational strategies, therefore, are at the middle level. Transnational strategy is the highest because companies implemented such strategy could achieve both global efficiency and local responsiveness at the same time (Bartlett & Ghoshal, 1993; Daniels et al., 2013).

Firms has been argued for a tendency to increase their adaptability to environmental dynamics (Cantwell, Dunning, & Lundan, 2010; Westney, 2009). So, MNEs' strategic movements from a low level to a high level in order to adapt to more complex environments, occur as a general pattern. Our observation is generally consistent with the literature as three quarters of detected transformations (22 movements) are 'low-to-high' (or 'forwarding') patterns.

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In addition to the general low-to-high pattern, our exploratory multi-case study evidence reveals that MNEs' strategic movements also shift between the same level of environmental dynamics (3 from global strategy to multinational strategy and 3 from multinational strategy to global strategy). This pattern shows the severe situation of MNEs when faced with radical changes in their operational environments. As our cases show, Jacobs Suchard (moving to a global strategy from a multinational strategy) sensed EU's integration; while Novartis (moving to a multinational strategy from a global strategy) predicted the life cycle of its operational market entering a maturity-to-decline stage.

Surprisingly, the one retrogressive case from transnational strategy to global strategy in our empirical evidence is that of P&G. Our case analysis shows two shifts in its strategy orientation, moving from multinational to transnational at an early stage and later moving back to a global orientation. In the early stages, P&G's revolution was very successful. When P&G expanded its global business to over 70 countries, it realized it was trapped in a diseconomies of scale situation and that its organization was far too big to be managed in an efficient and flexible manner. Therefore, P&G opted for a global strategy orientation.

General Patterns of Environmental Forces

As regards the patterns of environmental forces, our empirical analysis identifies their either 'pull' or 'push' effects on a firm's strategic movements. As for pull effects, when environmental dynamics lead a firm to change, our investigation shows that the likelihood of that occurring is generally linked to unexpected negative outcomes, such as the drop in revenue at Morgan Crucible and NEC, the inefficient management at Novartis and Nestle and the late-comer disadvantage for Novartis and P&G. If an MNE is not alive to the pluses or perils of environmental dynamics and finds itself in a situation where it cannot maintain its business, it may be forced to reevaluate and amend its management system in order to ensure its own survival.

Push effects, on the other hand, are derived from a firm's active response to or pre-perception of environmental dynamics. In the present findings, push effects manifest as the result of a sensed opportunity (i.e. Medtronic, Sany, Samsung and Jacobs Suchard) or an avoided threat (i.e. Western Union, Li & Fung, Heinz and Honda R&D). Teece (2007) also explores a similar phenomenon using his dynamic capabilities framework, in which the push effects of environmental dynamics result in a firm's sensing capabilities (i.e. foreseeing and evaluating external opportunities and threats) and seizing capabilities (i.e. actions for refining organizational structure and delineating the business model).

Such environmental forces contribution has gone beyond the boundary of environment itself (regardless of internal or external). Instead of only environmental dynamics illustration, pull and push effects have played an important role in assessing and elaborating MNEs' responses to such changes. When a firm transforms because of a pull force, it implies the firm lacks an effectively sensing tool and system. The strategic movement occurs as a means of problem solving. While an MNE could utilize environmental dynamics as a pushing force suggests that it possesses an effective sense and grasp capabilities. This firm, therefore, are able to actively create new competitive advantages and sustain its above-average performance in the market (Barney, 1991, 1995, 1997; Teece, 2007).

Interaction between Environmental Forces and Strategic Movements

We further discuss a deeper insight, based on our investigation of the patterns of, and the connection between, strategic movements and environmental forces, for our dynamic IR analysis. While both pull and push effects are definitely viewed as a factor that motives most of firms conducting strategic movement, pull effects are considered as a major factor leading to firms' transformation. In our sample, there are totally 17 pull-effect cases and 13 push-effect cases, where in forwarding movements (strategic movements from a low level to a high level), 13 pull-effect and 10 push-effect cases are identified; in strategic movements across between the same level, there are 3 pull-effect and 3 push-effect cases; and in retrogressive movement, there is 1 pull-effect case identified. This finding suggests that a major part of

MNEs (in our sample) face a high inertia that hampers them in active response to the environmental change. This potentially reflects that those firms lack competencies of implementing or building up an effective sensing process or system, and hence any of their strategic movements occurs as a means of problem solving. Still, we have observed that many MNEs (as those push-effect cases are) possess and are able to implement a sensing system by which they reinforce themselves with awareness of different opportunities and threats to the trends, and therefore catching up these trends, in the global.

Moreover, the present findings have also revealed that MNEs' strategic movements that present a retrogressive pattern are caused by pull effects. It is because a higher strategy level, which is not easy to attain (more complicated structure), has more advantages (more adaptation abilities) than a lower one (Bartlett & Beamish, 2010; Bartlett & Ghoshal, 1993; Cavusgil et al., 2011; Daniels et al., 2013; Devinney et al., 2000). Firms, therefore, tend to move forward by increasing their adaptability to environmental dynamics (Cantwell et al., 2010; Westney, 2009). If they reach a higher-level strategy, would not be willing to leave away from the current strategic position, moving backward a lower-level strategy, unless they are forced to do so.

P&G exemplifies the strategic movement from transnational strategy back to global strategy. P&G had a remarkable increase of its global market when it successfully conducted strategic movement from multinational strategy to transnational strategy. Afterward, P&G's management structure became too complex to operate effectively. Having a central point of increasing operational efficiency and performance (as a pull effect from the internal environment), even if the environment still required highly responses in both GI and LR aspects, P&G decided to transfer itself to be a global strategy oriented MNE. P&G's later change in strategy would be seen as a pull-effect case, exhibiting that its decision is made by its awareness of performance erosion, which is a pull effect from the internal environment of a firm.

Via such interesting case, a clear explanation for different performances among firms is provided. Although external conditions are high in global integration and local responsiveness dimensions, transnational strategy type is not the unique choice, but only the ideal one. Such perfect strategy requires strong internal capabilities (management and coordination capabilities) (Daniels et al., 2013) that not many firms could satisfy. Other strategies such global, multinational, even international, strategy types could be selected basing upon individual firms' capabilities. Firms' decisions, therefore, are made according to not only external environment, but also internal one.

Contribution to International Business

We understand that environmental complexity and suitable strategies are clearly explicated in the traditional IR framework. With time, as environments change and lead to the irrelevance of the current strategy, some firms fail if they maintain unworkable strategic processes, while others sustain their competitive advantages by modifying or changing their strategy in response to external conditions. This lack of dynamics for both environment and strategy in the original IR framework triggered the appearance of an augmented IR theory, the dynamic IR framework.

This paper therefore makes a significant contribution to the international management field in introducing the dynamic IR framework. While we agree with the idea that the original IR analysis provides a framework for an MNE's ideal operational strategy, we argue that the traditional IR analysis has a significant drawback: its static analytical framework limits the analytical power for determining an MNE's strategic position according to the interactions between its strategic development and environment. Our dynamic IR framework, with its dynamic view, pushes the theory a step further. In addition, this dynamic model can be offered as a guide through which MNEs are able to depict and conduct proper strategic movements to compete against opportunities and threats in the global environment.

Limitations and Future Research

Although this study makes a significant contribution to the international management field, there are inevitably some limitations. First, the 25 participant cases collected for our investigation are necessarily limited, and we do not rule out that other kinds of strategic movements exist. Our investigation uncovers 4 types of strategic movements for how companies develop and maintain a strategic position in the global market. Second, the participant cases collected from case banks are a set of secondary data and may have been written for other research purposes. Thus, the information which they provide for this present study is limited.

Our suggestions are prioritized to help us enhance the research quality. Future research may focus on the strategic movements uncovered by this study in order to complete the theoretical insight for the dynamic IR framework. In addition, collecting primary data from in-depth interviews or expert seminars would gather direct and relevant information for the associated research. Finally, future research can go further with a quantitative investigation of the dynamic IR framework to operationalize the appropriate measurements needed to test the interactive relationship between strategic innovation and environmental dynamics.

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Appendix: Collected Cases Descriptions

1. Procter & Gamble (P&G)

Before 1980s, P&G adopted multinational strategy for its internalization. Products were tailored in order to satisfy local customers' needs (Bartlett, 2004). Country general managers were actively and had decision power with their subsidiaries. Combinations among headquarters' technology, marketing expertise and their local market knowledge were successful implemented to achieve particular targets. Such strategy, however, caused two problems of limiting profit and hampering new products launch due to overlaps in productions and conflicts in terms of benefits between subsidiaries and the corporation.

Consequently, in late of 1980s, P&G divided its divisions into 26 product categories. Each product categories had its own comprehensive functions from product development, production to marketing and sales. Such structure existed simultaneously with location management structure. The product category executives were responsible for global strategy, cross-market coordination and technology management, while the counterparts in regional class were charged with profit of country subsidiaries. This transnational strategy worked well at the beginning of its implementation. Nevertheless, when number of markets increased (over 75 countries in case of P&G in the middle of 1990s), disadvantages of this matrix structure had appeared (Bartlett, 2004). Growth was slow down, new product development and introduction were late. Moreover, entrepreneurship and flexibility were hindered.

A new type of organization, were proposed by Durk Jager, the CEO, and John Pepper, the former CEO, in 1998. This plan, adopted global strategy, were called 'Organization 2005' or O2005 (Bartlett, 2004). Almost all of operating activities were taken under global level. Seven global business units were responsible for development, production, and marketing of their respective categories products in global market. Other activities such as accounting, human resource management, payroll, etc. were conducted by global business service units. Local subsidiaries were displaced by market development organizations to implemented global strategies into local market. Standardization in manufacturing processes were carried out to improve efficacy.

Table 11: Analysis on the distinctive criteria of P&G

	Multinational	Transnational	Global
Product Criteria	Customized		
Decision making	Decentralized	Decentralized	Centralized
Organizational structure		Matrix	Vertical
Headquarters power	Low		High
Global learning		Yes	

2. IKEA

IKEA is a well-known international firm in furniture industry in the world. The Swedish company had been quite successful when expanding globally until its first time entering Japanese market in 1974. Due to implementing global strategy, Swedish identity such as logo and stores with yellow and blue color was kept in diverse socio-culture markets. Big size and low price products were used. The idea of do-it-yourself was spread in all IKEA stores. Such features, however, were just relevant to Western markets where culture are quite similar. They did not satisfy Japanese customers' needs. In general, houses in Japan are significantly smaller than in Europe. In 1970s, Japanese were experiencing thriving economy so that low price goods were considered equivalent to low quality. In addition, local people believe that time is worth, and they do not want to waste time to assemble their own furniture at home. Without any strategic change, IKEA decided to withdraw this market in 1986 (Perepu & Debapratim, 2008).

The reentry with a considerable strategic transformation in 2006 contributed to the firm's current success in Japan. After examining carefully local customers' wants, IKEA found that local customization was a crucial key to maintain competitive advantages in extremely high pressure of local responsiveness country like Japan. Beautiful and comfortable design products in small spaces were focused. Low price campaign was displaced by lower price than major competitor strategy. Assembly services were introduced. Along with local responsiveness, however, products' quality were still standardized across markets. Stores in different countries are quite the same. Clean and simple design products that made from wood or natural material were IKEA's distinguish features. All stores were embedded in Swedish identity of IKEA with its human resource policies and corporate culture (Perepu & Debapratim, 2008).

Therefore, such second coming into Japan was evaluated successful with an appropriate strategic movement from global to transnational in order to achieve simultaneously two goals: maintaining product standardization and satisfying local requirements.

Table 12: Analysis on the distinctive criteria of IKEA

	Global	**Transnational**
Product Criteria	Standardized	Customized and Standardized
Global learning		Yes

3. Li & Fung

Li & Fung (LF) Limited is a leading multinational company in global supply chain management. It was founded in 1906 and headquarters is located in Hong Kong, China. With around 26 thousand people and over 300 offices in whole the world, LF is an essential bridge between its thousands of suppliers and customers.

Before becoming a global supply chain manager as today, Li & Fung, however, started with porcelain export such as bamboo wares, ivory handicrafts, firecrackers, etc. Its dominant position in export lasted till 1970s. New entrants from emerging economies in Asia such as Taiwan, Korea, and Singapore began to challenge the firm's export business by taking away its Western customers. LF, therefore, determined to reinvent itself to fight back those competitors (Hau & Melvin, 2015).

Understanding the nature of changes, LF sensed market uncertainty in future. Its people were required to be more flexible and collaborative. After becoming a public company in 1973, the LF began to expand its production line globally. Such global supply chain was managed in a flexible, and agile way in which cost effectiveness, high quality, even responsiveness to each customer were obtained.

Surprisingly, Li & Fung owned just few in many of factories in its global supply chain. Its competency was network orchestration and management ability. Such characteristic was an advantage to build up adaptation and learning capabilities that are extremely critical for the international firm like LF to sustain its high performance in rapidly environmental changes (Hau & Melvin, 2015).

Table 13: Analysis on the distinctive criteria of Li & Fung

	International	**Transnational**
Product Criteria	Intermediate	Customized and Standardized
Decision making	Centralized	
Headquarters power	Exclusive	
Global learning		Yes

4. Jacobs Suchard

Being established in 1824, Jacobs Suchard is a Swiss-based company operating mainly in coffee and confectionery fields (Business). It owns many famous global brands such as TOBLERONE, MILKA, or LILA STARS. Its main market is in European countries.

Due to of difficulties regarding tariffs, duties, and transportation, Jacobs Suchard originally set up individual sub-companies including manufacturing plants outside its home country. Autonomous subsidiaries produced and sold their products in their own markets. The company implemented a high degree of decentralized structure with decision making authority was delegated to individual business units. To do so, the company maintained its entrepreneurial characteristic with fast decision making. The general manager was normally in charge of a core business in his own market. He independently decided providing what local market demanded. He was also responsible for his total market profit (Eccles & Holland, 1989).

In late of 1980s, a preparation for an appearance of European Union (EU) in which goods are allowed freely cross the European country members; however, was a stimulus for Suchard's transformation. Independent markets were displaced by a common market. Requirements regarding local responsiveness became lower in the community. Many small and fragmented Suchard's factories would become redundant. It brought an opportunity of economic of scale to the company. There was no longer a localization of recipe or packaging for different markets. The whole EU would be treated as a unique huge market. Fewer but larger manufactures replaced many but small ones. Globalization became the first priority of Suchard with global brands (Eccles & Holland, 1989).

Table 14: Analysis on the distinctive criteria of Jacobs Suchard

	Multinational	**Global**
Product Criteria	Customized	Standardized
Decision making	Decentralized	Centralized
Organizational structure	Horizontal	Vertical
Headquarters power	Low	High

5. Bosch

Bosch, or Rober Bosch GmbH, was established in 1886 in Stuttgart, Germany, the city in which the headquarters is located. It provides automotive components, industrial products and building products. With about three quarters of revenues generated from outside Germany, Bosch is a truly global firm (Ojha, 2010).

However, starting like a domestic automotive supplier, Bosch then began to internationalize in 1910s. International sales divisions played a major role in its international business. Along with time, Bosch international business became bigger and larger with its product diversification. Geographic distance and communication obstacles hindered its direct management structure. In addition, the World War II was a barrier for the German company to control and manage all of its subsidiaries. Consequently, Bosch was reorganized in which international business units were delegated autonomy and authority (Ojha, 2010).

Since 2007, the top managers had seen the importance of both national and global markets. They determined to transform Bosch from a multinational strategy structure which focuses on geographic division to a transnational strategy structure that balances global integration and local responsiveness needs. The previous horizontal management process was verticalized when product divisions were delegated more power and authority. As a result, a matrix structure that harmonizes the role of both product divisions and geographic divisions was created (Ojha, 2010).

Table 15: Analysis on the distinctive criteria of Bosch

	International	Multinational	Transnational
Product Criteria	Intermediate		Customized and Standardized
Decision making	Centralized	Decentralized	
Organizational structure		Horizontal	Matrix
Headquarters power	Exclusive	Low	

6. Coca Cola

Coca Cola Company is an MNE with over a century of history and well-known whole all over the world in beverage area. After being established in 1886 in USA, it quickly got its first success and has been one of the most-admired trademarks today.

In 1980s, Coca Cola had done its international business in 200 countries. Global strategy was implemented at that time such as centralizing control, and consolidating bottling partners. It helped the company obtain efficiency. However, time changes leads to the world changes. Pursuing homogeneity of the headquarters impeded national leaders' local autonomy as well as local sensitivity and responsiveness (Rugman & Hodgetts, 2001). The more centralized decision-makings and standardized operations are, the more conflicts between the headquarters and its subsidiaries are.

As a result, Coca had moved to transnational strategy step by step. Although global brands with standardized qualities were remained, local managers were delegated more power in decision making. Products (including marketing) were adjusted by basing on regional features in order to be appropriate to local customers. The company was trying to become a model citizen with social activities in local communities. For a global giant like Coca Cola, comprehending only global demand is no longer a key for success, but includes fulfilling local gaps (Rugman & Hodgetts, 2001).

Table 16: Analysis on the distinctive criteria of Coca Cola

	Global	Transnational
Product Criteria	Standardized	Customized and Standardized
Decision making	Centralized	Decentralized
Organizational structure	Vertical	Matrix
Headquarters power	High	Medium

7. NEC Corporation

NEC Corporation is a Japanese multinational enterprise. Its headquarters is located in Tokyo, the capital of Japan, with business area is information technology (IT) (both in services and products). NEC Corporation of America is one of its subsidiaries in the United States. Howard Gottlieb, a general manager of NEC subsidiary in the USA, played an important role in the company strategic transformation from purely global to partly transnational.

In last years of 1980s, Gottlieb was in charge of building up market for NEAX 61. It is a digital telecom switch. Unfortunately, such device design created by the parent company was not consistent with local customers' demand. As a result, unexpected number of sales was inevitable. With full of local knowledge and experience, it did not take much time for Gottlieb to realize the low performance's reasons. He, however, did not have power to change the product design to meet American clients' needs. What he could do is persuading the parent company to redesign NEAX 61 (Bartlett & Ghoshal, 2003).

After his consecutive efforts, his Japanese supervisors would understand an importance of U.S. market with their business as well as an essence of local subsidiary in production. Autonomy was delegated more to the local sub-company. Gottlieb and his engineering team were allowed to take part in next product development processes. He also spent 30 percent of his time to communicate with the parent company in Tokyo about market and NEC's ongoing strategy (Bartlett & Ghoshal, 2003).

Table 17: Analysis on the distinctive criteria of NEC

	Global	Transnational
Product Criteria	Standardized	Customized and Standardized
Decision making	Centralized	
Headquarters power	High	Medium

8. Walt Disney

The Walt Disney Company is an international corporation operating mostly in entertainment and media. In 1983, its first international Disney theme park was opened in Japan and immediately achieved positive results. Consequently, another theme park was opened in France under Euro Disneyland name in 1992. The company believed that by applying key features of major successes at American and Japan, Euro Disneyland would succeed.

The operation system was imitated from USA where speaking English is required at meetings, and alcohol is not accepted to serve in the park. Surrounding environment was the same as in Disneyland USA. Recruitment policies were standardized, but weird and different from local ones. Such kind of strategic implementation did not work well, even caused losses. People were unpleasant because they, the French, had to talk to each other by English, not French. Visitors who usually drink during their meals could not buy liquors in the park. In addition, American theme did not attract Europeans as much as local one. Finally, the oddity in labor policies and unacceptable working conditions leaded to a high turnover of 3,000 employees within only for a month since opening day.

After experiencing poor results in 2 years with Euro Disneyland, Walt Disney Company had understood that business operation could not be standardized and the same in significantly different markets. It then decided to change from the original global approach to local adaptation. The park's name was official changed to 'Disneyland Paris' instead of Euro Disneyland. European history movies, French science fiction tours, or European sceneries were created and used to appeal to local customers. Liquor was allowed to sell in the park, and other services were also altered to suitable to local tastes. Regulations were thoroughly modified consistent with employees' expectations (Rugman & Hodgetts, 2001). By such a timely movement in strategy, Disneyland Paris gradually attracted more attendances, recovered its loss and got profit.

Table 18: Analysis on the distinctive criteria of Walt Disney

	Global	Multinational
Product Criteria	Standardized	Customized
Decision making	Centralized	Decentralized
Headquarters power	High	Low

9. Honda R&D

Honda R&D was established in 1960 and operated separately from Honda Group. When local customers' needs increased, regional centers were built up worldwide. The headquarters located in Japan had a coordination role among those R&D centers (Farhoomand, 2010). It was also in charge of advance technology developments to support its regional R&D facilities. These sub-companies' functions were developing non-core technologies, adjusting core technologies and products in order to satisfy customers' requirements in different markets. The main technique of manufacturing, however, were still strictly monitored by the headquarters.

In 2007, the appearance of GuangZhou Honda Research and Development (GHRD) institution in China remarked a strategic movement of Honda R&D. This R&D center were delegated to research and develop its own technologies and were not forced to follow headquarters' ones. Its first priority aim was to serve and meet specific needs and expectations of Mainland China market. Consequently, Li Nian – a completely new brand of GuangZhou Honda – was introduced in 2008. It was also hoped that ultimately became a top brand in the world. Such change in management system of Honda R&D on GHRD would lead to changes on other R&D centers. As a result, the whole control mechanism of the headquarters would move strategically to multi-domestic form (Farhoomand, 2010).

Table 19: Analysis on the distinctive criteria of Honda R&D

	Global	**Multinational**
Product Criteria	Standardized	Customized
Decision making	Centralized	Decentralized
Organizational structure	Vertical	Horizontal
Headquarters power	High	Low

10. STAR

STAR, or Satellite Television Asia Region, is a multinational company supplying television service for Asian countries. It had experienced consecutive losses (120 million USD per year in average) from 1993 (when News Corp started to acquire STAR) to 2003 (a long path after a movement in terms of internationally strategic operation was implemented) (Piper, 2006).

At the beginning, STAR used international strategy for all of its markets from Mainland China, Taiwan, and India to the rest of Asia (Piper, 2006). Television programs broadcasted were American famous and successful dramas, shows, and movies with local language subtitles. Due to diverse customers regarding geography, culture and custom, there were just few multinational advertisers were attracted, while local ones were not interested in reaching their outside-market viewers. A long with low advertising revenues, low subscriber ones, because of local cable operators' deceits, were also another result of the inappropriate international strategy.

Quickly detecting the fatal mistake, Rupert Murdoch – The Chairman of News Corp that owned STAR – determined to embark upon a costly and risky multi-domestic strategy with localization program in critical markets in order to remedy such problem. Strategic and economic local partners, even local governments, were found to help STAR understand market features and operate efficaciously.

Despite being small, Taiwan was an apparent market for localization. Unsuccessful subtitled American programs were displaced by STAR Chinese (Mandarin) entertainment channels. In India, whose television market was just in an embryonic stage in 1990s, 'Kaun Banega Crorepati?', an Indian version of 'Who wants to be a Millionaire?', became an overwhelmingly successful example of local responsiveness. 'Crorepati' were introduced and produced in its own way that solved cultural differences between two countries. Another critical market of STAR was Mainland China which had distinctive social and moral values that the company had to ponder over. To maintain and enforce the position of first global media company in China, a close relationship with Chinese government was conducted. Then Xing Kong, a locally-produced channel, was introduced and quickly became a landmark for STAR.

Not only in service and products, the strategic movement was also indicated in hierarchical structure (Piper, 2006). Decisions had been made by the headquarters in Hong Kong. Localization, nevertheless, delegated powers and freedom to countries managers in many areas such as human resources, cash management, programming, advertising, broadcast operation and standards of practice. As a result, the number of employees in country organizations (outside Hong Kong) reached 1,000 in 2002. Local responsiveness brought a profited year for STAR after a decade of loss in 2003. It also made the company's footprint appeared in most Asian key markets.

Table 20: Analysis on the distinctive criteria of STAR

	International	**Multinational**
Product Criteria		Customized
Decision making	Centralized	Decentralized
Headquarters power	Exclusive	Low

11. Kentucky Fried Chicken (KFC)

KFC was established in 1956 by Harland Sanders in Indiana when he determined to franchise his special chicken recipe. At the beginning, trust was used as a means to manage and control his franchisees (Bartlett, 1992).

By mid 1970s, few years after KFC was sold to Heublein, an American maker and distributors for food and alcohol, KFC's subsidiaries had run in largely autonomous. There was no standardization in operating processes. Communication between the headquarters and subsidiaries were very poor. Basic menu serviced varied widely in different international markets (Bartlett, 1992). Such strategic management and operation, consequently, did not last too long due to its inappropriateness in highly competitive markets.

Michael Miles, the vice president of Heublein in charge of international operations, quickly determined to tighten headquarters control over subsidiaries when he saw profit decreasing in its international markets. Oversea sub-companies need to be supported with homogeneous strategic planning system from their parent company in order to obtain consistency in products and services. A standard format was implemented for all subsidiaries. More information was collected at store level such as inputs, outputs, service quality, price, etc. Performance was measured, efficiency targets and quality-service-cleanliness standard was introduced, and rewards were given to store managers who achieved bonus levels. Such strategic movement resulted in KFC's operation changes in effective and admired way (Bartlett, 1992).

Table 21: Analysis on the distinctive criteria of KFC

	Multinational	**Global**
Product Criteria	Customized	Standardized
Decision making	Decentralized	
Organizational structure	Horizontal	Vertical
Headquarters power	Low	

12. Morgan Crucible

Morgan Crucible, or Morgan Advanced Materials, is a global manufacturer that specially provides advanced materials ranging from electrical carbon materials, high purity ceramic components, insulating fiber, to corrosion control and fuel conditioning boards.

In 1970s and before, international strategy had been implemented by Morgan Crucible with the operation was mostly in UK market. Its business relied upon these critical customers. In late of 1970s, unfortunately, there was a recession that caused a deindustrialization process. British manufacturers were struggling to survive and the situation of Morgan Crucible was not dissimilar. Such challenge leaded to a forward movement decision. Bigger markets replaced UK one and became key markets. Consequently, the faction of sale of Morgan in UK dropped significantly from 65% in 1981 to just 13% in mid of 1990s.

In a complex and dynamic business environment, Morgan required itself to be speedy and flexible instead of efficient. As a result, multinational or multi-domestic strategy were determined with decentralization. Autonomy was delegated to subsidiaries. Local responsiveness was highly considered. Quick reactions were made to local market changes. Decentralized control also changed its organizational structures into a flatter form with only five layers from employees to the CEO. Such mechanism's critical benefits are building up trust between headquarters and subsidiaries, and encouraging new business ideas in order to quickly sense and seize business opportunities. Eventually, Morgan successfully overcame the difficult period and reached its goal: becoming "World Niche Market Leader in Materials Technology".

Table 22: Analysis on the distinctive criteria of Morgan Crucible

	International	**Multinational**
Product Criteria	Intermediate	Customized
Decision making	Centralized	Decentralized
Organizational structure		Horizontal
Headquarters power	Exclusive	Low

13. Siemens AG

Siemens AG, an international conglomerate, is the largest engineering firm in EU. Its headquarters is located in Germany. This multi-sector company operates mainly in healthcare, information and communications technology, transport, and energy. Like many other multinational companies doing business in manufacturing, globalization strategy was the most appropriate one for Siemens AG. Its global market includes 190 nations so that designing and producing all products in all markets are obviously costly and inefficient. Globalization strategy with specialization processes helped the firm own competitive advantages from economics of scale as well as high and standard quality.

Macro-economy, in this case is currency fluctuations, however, was a threat of MNEs. When the US dollar devalued comparing to euro, it caused disadvantages for Europe-based manufacturers like Siemens. Relatively, Siemens's products became more expensive than ones of US competitors. To prevent such threat, localization was added on the firm strategy. Besides reporting to the headquarters in Germany, each local company must satisfy its local customers. Taking Siemens UK, an efficient subsidy of the global business, for example. By focusing on thinking of customer, the company employees shared customers' culture, understand their problems, and quickly responded to. UK business also offered high tech products with more services that highly satisfy customers. Benefits provided by Siemens, therefore, could fill the price gap between the company and its competitors. As a result, meeting local needs also has become culture of Siemens in UK in particular and Siemens group in general.

Table 23: Analysis on the distinctive criteria of Siemens AG

	Global	**Transnational**
Product Criteria	Standardized	Customized and Standardized
Decision making	Centralized	Decentralized
Organizational structure	Vertical	Matrix

14. Heinz

Heinz is an international company in food processing industry. This American firm was founded in 1869 by Henry John Heinz. Due to operating in the industry that highly requires different products in different markets, the firm implemented multinational strategy with localization approach. Consequently, Heinz was continuously successful and obtained profit. It, however, was not content with its preeminence. The chairman, Dr. Tony Reilly, had realized the company's sigmoid curve of success. He determined to reorganize Heinz in advance with "Project Millennia" in order to sustain its growth.

Such restructure was obviously displayed via strategic movement of Heinz Europe. Product category was used as a benchmark to divide core businesses. They are European Grocery, European Foodservice, European Retail Frozen & Chilled Foods, European Seafood, and European Infant Feeding. With such category management approach, the company utilized economics of scale, reduced cost and became more competitive. It was also able to quickly adapt changes in consumers' preference in pan-Europe range. Localization, however, was still maintained at some degree when sales continue to focus on individual countries. By this strategic transformation, Heinz has recently been a giant with high level returns in global food industry.

Table 24: Analysis on the distinctive criteria of Heinz

	Multinational	**Transnational**
Product Criteria	Customized	Customized and Standardized
Decision making	Decentralized	
Organizational structure	Horizontal	Matrix
Headquarters power	Low	

15. Benetton Group

Benetton Group is a well-known multinational enterprise doing business in fashion industry. With the headquarters located in Italy, its network includes around 6 thousand stores spread in many countries from Europe, American to Asia. Benetton used to implement international strategy type in which it operated as a supplier to license retailers in foreign countries. It had been successful until international rivals aggressively expanded their market into Italy. In 2002, Zara, a Spanish fashion brand with a fast production process, penetrated into Benetton's home country. Then H&M, another multinational retailing company from Swedish, was also targeting Italy (Wells & Danskin, 2014).

To compete those new entrants, the Italian firm decided to focus more on foreign market and reduce production cost. Production parts were moved to low-cost countries like Hungary, Croatia, Tunisia, etc. In spite of that, Benetton still controlled tightly its overseas production. The critical functions of production were maintained in home country. Its warehouse played an important role as a command center to dispatch and manage the company's world-wide distribution. With such global strategy, Benetton increased its delivery speed of new clothes to stores to every week while keeping low cost and high quality (Wells & Danskin, 2014).

Table 25: Analysis on the distinctive criteria of Benetton Group

	International	**Global**
Product Criteria		Standardized
Decision making	Centralized	Centralized
Organizational structure	Vertical	Vertical
Headquarters power	Exclusive	High

16. Rhône-Poulenc S.A

In 1928, Rhône-Poulenc was founded. In 1985, it became the largest chemical company in France with about $7.5 billion of revenues.

Until 1969, its sales was only $1.8 billion in which 53 percent from domestic market and 47 percent from neighboring markets in Europe. At that time, Rhône-Poulenc's subsidiaries were still small and independent to the parent company regarding operation management. Such independence degree was too high so that many foreign affiliates' staff members did not notice about their French headquarters. Moreover, these subsidiaries' names were diverse from Viscose Suisse in Switzerland, Deutsche Rhodiaceta AG in Germany, to SAFA in Spain, and Rhodia Inc. in U.S. with an insignificant presence (Rosenzweig, 1995). Consequently, Rhône-Poulenc lacked a clear brand in global market.

A weak position in global market became a serious problem due to a transformation in competition of the world chemical industry to global scope. A stronger overseas presence, especially in U.S. – the largest consumption market that was approximate Western Europe and 3 times Japan markets in 1977 (Rosenzweig, 1995) – was extremely important for Rhône-Poulenc. The company, therefore, determined to implement transnational strategy in order to enhance its global position, especially in U.S. All of activities were categorized into 5 sectors in which products were marketed either globally or locally basing upon their characteristics. Agrochemicals, for instance, were sold globally while Organic and Inorganic Intermediates were locally sold. In addition, the U.S. subsidiary was completely transformed from a small trading company to a large manufacturer. It was put into a global matrix organization in which an individual division must report to both U.S. president and a Sector headquarters in France. Despite working closely with U.S. division managers, the Sector headquarters just focused on developing strategy and sharing knowledge, but did not intervene in local operation. With such appropriate transnational strategy, Rhône-Poulenc made the U.S. subsidiary become the single largest affiliate that contributed 20 percent of total revenues (Rosenzweig, 1995).

Table 26: Analysis on the distinctive criteria of Rhône-Poulenc

	Multinational	Transnational
Product Criteria		Customized and Standardized
Decision making	Decentralized	Decentralized
Organizational structure	Horizontal	Matrix
Headquarters power	Low	Medium
Global learning		Yes

17. Novartis

Novartis, a Swiss multinational enterprise operating in pharmaceutical industry, was founded via a merge of Ciba-Geigy and Sandoz in 1996. Its revenue was about $ 58 billion in 2013, highest in the world. However, before that merge, these two Swiss companies were just export-oriented firms with centralized structure and slow decision-making via the simplest strategy type, international strategy. Unsurprisingly, its results were disappointing with a low frequency of new drug launch comparing to its competitors. Consequently, the firm determined to reorganize its operation in order to improve such bad result. Product divisions such as primary care, specialty care, etc. were created from its pharmaceutical business. These business units were delegated autonomy with clear accountability and responsibility, provided entrepreneurial space to quickly develop new products. Such globalization strategy was completely transformed through a transition from Swiss leadership to multinational team leadership. Its operation were run by a new executive committee of an American chief executive officer, a British chief financial officer, a German HR top manager, and a Swiss counsel (Geogre, Palepu, & Knoop, 2014).

When sensing traditional markets like U.S. and Europe were going to saturate with slower growth rate, Jimenez, the CEO, judged that emerging markets such China, India, South America and Africa were great opportunities. To quickly generate revenues and grasp market shares in these new markets, in 2008, Novartis aggressively expanded into these countries via multinational strategy. Each country had its single organization with country management.

This strategy, however, did not work well in general. In every country, Novartis had complete organizations. Even though this strategy provided high autonomy and responsibility to local customers, it was costly and eroded profitability due to overlap activities among countries. There was only China succeeded with its management structure. It could be easy to see a reason behind is that China was a huge market. As a result, 4 years later, Novartis disbanded multinational strategy and moved back to globalization strategy in which responsibility were returned to business divisions (Geogre et al., 2014).

Table 27: Analysis on the distinctive criteria of Novartis

	International	**Global**	**Multinational**	**Global**
Product Criteria		Standardized	Customized	Standardized
Decision making	Centralized		Decentralized	
Organizational structure		Vertical	Horizontal	Vertical
Headquarters power	Exclusive		Low	

18. Haier

Haier, a Chinese multinational firm in consumer electronics and domestic appliances, was founded in 1984. Its headquarters is located in Shandong province. In pursuit of becoming a giant in global market, Haier quickly began its international mission just 6 years after its establishment. At the beginning, its main activity was just exports to developed countries such as U.S. and Germany via scattered channels. In 1994, Haier built up its own distributor and fully implemented international strategy in U.S. market (Celly, 2012; Ghemawat et al., 2005). This, however, is just an initial step to its current success.

After creating its brand value and grasping a portion of U.S. market share, Haier started the second step by establishing itself as a local brand. A manufacturing base in South Carolina was constructed and run in 2001. Then a design center was built up in Los Angeles in order to completely change customers' perception from a Chinese to an American product. Such multinational strategy was successful in U.S. and then was replicated in other countries such as Europe and India. Each market had its own sales headquarters and design center. That 'Three-in-One' localization strategy – local production, local sales strategy, and locally tailored products – helped Haier to create consumer's trust in a reliable brand and quickly respond to local customers' needs (Celly, 2012; Ghemawat et al., 2005).

Table 28: Analysis on the distinctive criteria of Haier

	International	**Multinational**
Product Criteria		Customized
Decision making	Centralized	Decentralized
Organizational structure	Vertical	Horizontal
Headquarters power	Exclusive	Low

19. Endesa

Endesa is one of largest electric suppliers in Europe. It has the headquarters located in Madrid, Spain and over 100 subsidiaries in 15 countries. Endesa used to follow a centralized structure in which subsidiaries were tightly controlled by the headquarters. All of investment and other decisions were made by the corporate office (Johnson, 2006). This international strategy is considered as a suitable strategy type for electric utility industry.

However, when regulations in host countries became varied and complex due to the Kyoto Protocol (reducing greenhouse gases emission to protect the globe) and privatization of gas industry policy, the company sensed a significant change in future of utility industry. It decided to add taking care of local relationships into its strategy. Through building up and maintaining connections with local authorities and regulators, Endesa could adapt to such complex legislation, reduce, or eliminate penalties and expenses. Local leaders were delegated decision making power that was utilized their deep knowledge in local markets. Such multinational strategy also helped Endesa enhance its agility, flexibility in order to effectively adapt to environmental changes (Johnson, 2006).

Table 29: Analysis on the distinctive criteria of Endesa

	International	Multinational
Product Criteria		Customized
Decision making	Centralized	Decentralized
Organizational structure	Vertical	
Headquarters power	Exclusive	Low

20. Western Union

Western Union (WU), was founded in New York, is a financial services and communication company. Its network has the headquarters located in Colorado, U.S. and business units in 195 countries. The company structure used to focus on the U.S. centric product line with international agent locations. Due to being initially an American company, WU had still remained its U.S. tight control until 2002 (Konrad & Mitchell, 2005).

Most of WU's customers were migrant workers in developed countries who required money transfer services to fund their families in their home countries. Different countries had different culture, language, and communication issues, taking U.S. and Thailand for example. Christina Gold, the WU's CEO, saw this critical feature and determined to have a decentralized plan with regional structure in which operation was geographically separated. More authority, along with responsibility, was delegated to local leaders. Those managers were responsible to their regional profit as well as loss. The bank also localized its look with a local marketing strategy. Each market had a suitable structure that would be effective (Konrad & Mitchell, 2005). Such multinational strategy implementation would adapt to a variety of customers' preference in different markets, support the bank's global expansion and enhance its global position in banking service.

Table 30: Analysis on the distinctive criteria of Western Union

	International	Multinational
Product Criteria		Customized
Decision making	Centralized	Decentralized
Organizational structure		Horizontal
Headquarters power	Exclusive	Low

21. Medtronic

Being founded in 1949 in Minnesota, U.S., Medtronic is one of the world's largest companies in medical technology development. It has been led by Omar Ishrak, the Chairman and CEO, since 2011. Before Omar replaced Hawkins becoming the CEO, Medtronic global business looked like an international strategy type in which US markets (including other developed markets) are versus international markets (or emerging markets). Six Strategic Business Units (SBUs) were in charge of the 'U.S.' markets and did not have much connection to emerging ones. On the contrary, developing countries managers did not have power on corporate strategy. Such fact caused a gap, especially in culture, between U.S.-based strategic business units and international markets (George & Kindred, 2013).

Fortunately, Ishrak sensed great opportunities in emerging countries. Although Medtronic was operating in those markets, it was just long distance operations. Via changing structure management model, he could fully tap in and grasp firmly those markets. He determined to transform the firm into transnational type. A matrix organization with full profit and loss responsibility was assigned. Global market was divided into seven regions or main markets in which the regional president was responsible for all business in his region, including plans that were developed by SBUs. In addition, regional SBU managers were required to report to their SBU heads. To enhance information and knowledge transference, meetings among the CEO, business and regional presidents was hold quarterly. As a result, local market issues were considered more instead of only business units like before. Thanks to such strategic transformation, Medtronic's revenue experienced a positive growth at 4% in 2012, after continuous years of decline (George & Kindred, 2013).

Table 31: Analysis on the distinctive criteria of Medtronic

	International	Transnational
Decision making	Centralized	Decentralized
Organizational structure	Vertical	Matrix
Headquarters power	Exclusive	Medium
Global learning		Yes

22. Diethelm Keller SiberHegner (DKSH)

DKSH, a Swiss corporation, was found in 1960s. It provides market expansion services ranging from sourcing, marketing to sales and after-sales-services. Even though its headquarters is located at Zurich, Switzerland, its business locations are mainly in Asia.

DKSH used to implement international strategy type with a high bureaucracy that was an inherent feature of a venerable and family-owned trading house. Its subsidiaries operated independently each other. The firm, however, lacked a professionalization and adaptation structure especially in an era of globalization and modernization. After the Asian Crisis in 1997 and inevitable losses, Jörg Wolle was appointed as the CEO. He immediately determined to transform DKSH (Burgelman & Ludescher, 2012).

Individual country operation was changed into business sector structure with main business units including healthcare, consumer goods, performance materials, and technology. The corporate operation was facilitated by a standardized IT system in which different original IT systems were integrated. With such a newly global IT platform, DKSH could easily access and analyze its massive volume of transactions around the world. This system was also used to share market information with business partners. Although core functions like finance, human resource, strategy, and corporate communications were tightly directed and controlled by headquarters, locally operational subsidiaries were entrepreneurial with freedom (Burgelman & Ludescher, 2012).

DKSH focused on networking and knowledge sharing among sub companies. So that it could easily tailor and provide specific needs from clients. A complex matrix structure required ability of sharing information and know-how among business sectors and countries. It respected individual country culture, had deep knowledge about Asian markets as well as good local relationships and networks. As a result, it was not difficult for DKSH to get familiar and adapt to differently local environments. With such a complete transformation to transnational structure, DKSH obtained double-digit of average annual growth. Its EBIT in 2010 was 50 percent higher than the previous year (Burgelman & Ludescher, 2012).

Table 32: Analysis on the distinctive criteria of DKSH

	International	Transnational
Decision making	Centralized	Decentralized
Organizational structure	Vertical	Matrix
Headquarters power	Exclusive	Medium
Global learning		Yes

23. Sany

Sany Heavy Industry Company is a Chinese multinational firm operating in heavy equipment industry. It was founded in 1989 with headquarters located in Changsha. The firm currently has about 90 thousands employees around the world.

In 2002, after becoming a leading producer in China market, Sany began to export and establish foreign subsidiaries. When a great potential demand in a particular country was seen, the firm would determine to build up manufactures there (Lal, Lippert, Dai, & Deng, 2013).

Besides developing countries with high market demands such as India and Brazil, Sany also expanded its international markets to developed ones like Germany and U.S. These markets provided R&D capability, high technology and product standards that helped to enhance the firm competitive advantages. New knowledge achieved in these countries was transferred to other emerging markets. Despite having standardization in manufacturing machines, each market factory had its own products features, especially regarding manufacturing costs. It was selling 'made in China' products in China, 'made in India' in India, 'made in Brazil' in Brazil, 'made in Germany' in Germany, and 'made in U.S.' in United States. This strategy is to adapt to differences in each local customer needs. Quality and brand are concerned more by customers in developed markets, while price is the first priority in developing countries. Even among developing countries, the demand is also dissimilar. For example, in India, owners are usually not operators, so they could sacrifice features of comfort like air condition for price. In China, however, the buyers will operate the equipment. Moreover, the operating time of the construction equipment is triple that in India. Chinese customers, therefore, highly require air conditioners.

With such appropriate transnational strategy, consequently, Sany had maintained its high growth rate with two digits in revenue since 2001, except in 2005 (Lal et al., 2013).

Table 33: Analysis on the distinctive criteria of Sany

	International	Transnational
Product Criteria		Customized and Standardized
Decision making	Centralized	
Organizational structure	Vertical	
Headquarters power	Exclusive	
Global learning		Yes

24. Nestlé

Nestlé is a transnational food and beverage company with the headquarters located in Switzerland. It is the food company that has the largest revenues in the world. Due to special feature of food products, Nestlé initially created its business model with decentralization. Local tastes were met with localized products. Each country had its suitable operational management. IT were not developed much so that communication between headquarters and subsidiaries and among subsidiaries were limited (Manda & Gandlur, 2005).

Nestlé followed the growth policy: the bigger the better. Its expansion was made via acquisitions. The growth in revenue, however, is not always consistent with in profit. The firm with its big size lowered profit margins. Moreover, competition had become more intense for Nestlé due to its high operation cost. Facing such difficulty, Peter Brabeck, the firm CEO, determined to transform Nestlé to a more efficient and coordinated company in late of 1990s. He concentrated the structural organization. Efficiency was improved via management consolidation that cut administration costs. IT project was firstly used in U.S. market and then quickly implemented in other markets after its initial success. Through this system, independent subsidiaries could share information related to raw materials, distribution, etc. and have huge cost savings (Manda & Gandlur, 2005).

Table 34: Analysis on the distinctive criteria of Nestlé

	Multinational	Transnational
Product Criteria	Customized	Customized and Standardized
Decision making	Decentralized	
Organizational structure	Horizontal	
Global learning		Yes

25. Samsung

Samsung Electronics is a South Korean multinational company in electronics field. Its operations including design, R&D, production, and distribution are spread in 80 countries worldwide. Samsung main markets are categorized in U.S., European countries, Asia and Africa region, China, and its domestic market. At the beginning, however, Samsung Electronics was considered as a second-tier original equipment manufacturer.

In 1993, Lee – The chairman – had a big vision for Samsung, making it becomes the world-biggest electronics company. Such dream triggered a huge transformation. Recognizing the problem of lacking brand name, the company created a consistent marketing strategy at a global level. As a result, Samsung global brand currently are widely known for high quality and innovation. Moreover, it is able to succeed in both developed and developing markets that require highly different local responsiveness. The unique needs from emerging markets forced the company to adapt dissimilar local market conditions. Taking Samsung India as an example. Localized innovations were used to meet local needs and different customer segments. The local subsidiary had decision making power to quickly launch successful products or immediately withdraw from failed projects. By implementing such a transnational strategy, Samsung has become an electronics company with the largest revenue in the world (Mahmood, Chang, & Zintel, 2013).

Table 35: Analysis on the distinctive criteria of Samsung

	International	Transnational
Product Criteria	Intermediate	Customized and Standardized
Decision making	Centralized	
Organizational structure	Vertical	
Headquarters power	Exclusive	Medium