

■ ANDREW RUPPEL, Feature Editor, McIntire School of Commerce, University of Virginia

Going Globalistic

Andrew Ruppel, Feature Editor

High on the hype list these days is the set of forces known as *globalization*. Managers (and academics) worry about their individual skills as the problems they encounter span a wider horizon, as the decisions they make cast a bigger net, and as the people they interact with come from a broader spectrum. Companies and nations worry about their ability to respond to intensified global forces and still remain competitive. Activists worry that all this globalization is proceeding too rapidly and with too little consideration for consumers, workers, and the environment. For the interested and concerned observer, separating *globaloney* from global facts is clearly a challenge. Here are some sources to help one take on that challenge.

representativeness of the survey pool clearly described. Back-of-the-book material includes a recap of the research process and a useful set of references.

One might quibble with the authors' capsule descriptions of country business cultures as a bit cute and too stereotypical. For example, there are the *conceptual strategists* of France, the *ethical statesmen* of Canada, and the *affable humanists* of Brazil. But these labels do exhibit a useful kernel of truth about each nation's business character. In identifying the most globally successful countries (again, in a business sense) the authors looked at the scope of international activities and financial performance of the companies surveyed. The top three countries were France, the Netherlands, and New Zealand. Purely in terms of the source of revenues, the countries whose companies had the highest percentage of sales from outside the home country were: Sweden at 75%, followed by France at 56%, and the Netherlands at 48%. U.S. companies, in contrast, had only 21% of their revenue coming internationally. Not surprisingly, American execs are well down on the scale of the average number of languages spoken at 1.5. Compare this to 3.9 for Dutch executives and 2.5 for Japanese executives. American executives who would be global need to read this insightful book as well as broaden their language skills.



Global Literacies: Lessons on Business Leadership and National Cultures.
by R. Rosen, et al.

Simon & Schuster,
409 pages, 2000.

www.SimonSays.com

THIS IS AN EFFECTIVE AND USEFUL compilation of survey findings, executive interviews, country and business culture profiles, combined with advice on how to be world-class at home and abroad. The authors are mainly consulting types in the field of international executive placement. Their message is that both managers and companies have to become literate at four levels to be successful in the global arena. The four literacies are at the Personal, Social, Business, and Cultural levels. Not being literate at each level is being, as teenagers say, "clueless." Armed with these literacies, the manager can tackle better the basic business questions of *what* to do, *how* to do it, and *why* do it. The authors' findings derive from 75 interviews with CEOs and a survey of over 1,000 CEOs, presidents, and those similarly positioned. Those interviewed are identified by name and the



Managing with a Global Mindset
by Jean-Pierre Jeannot

Financial Times/
Prentice-Hall
245 pages, 2000.

www.business-minds.com

THIS IS A BUSINESS STRATEGY BOOK by an academic who has taught in MBA programs on both sides of the Atlantic. It is replete with very effective diagrams, developed from the author's presentations and course



Andrew Ruppel

is a professor in the QM/MIS area at the University of Virginia's McIntire School of Commerce. His PhD is from the University of North Carolina. Dr. Ruppel has received faculty fellowships from the

American Society for Engineering Education and the American Assembly of Collegiate Schools of Business, and has served with NASA and the International Atomic Energy Agency (with diplomatic rank). He teaches in the areas of statistics and global business.

Dr. Andrew Ruppel

Monroe Hall
University of Virginia
Charlottesville, VA 22903
voice-mail: (804) 924-3867
fax: (804) 924-7074
email: acr2y@virginia.edu

material. Instead of *literacies*, as employed in the Rosen book, this book talks of *mindsets*, ranging from the domestic through the multinational to the global—which needs to be adopted by both managers and companies.

For Jeannet, the growth of the global economy means that countries are increasingly immersed in a larger context. This growth has come about because of several developments. First, the liberalization of trade (i.e., the mutual reductions in tariffs and other entry impediments) simply and straightforwardly increased the volume of exports and imports. Secondly, countries began to relax regulatory constraints on their own industries enabling them to operate more expansively. Thirdly, the privatization of previously government-run enterprises attracted foreign firms and investors, substantially increasing capital flows to the point where their dollar volume exceeds that of the trade in goods. Technology, particularly telecommunications, has reduced response times and increased information broadcast capability, making distance almost irrelevant in decisions. Technology includes improvements in the movement of goods as well as the movement of information. Containerships, roll-on/roll-off vessels, and air cargo all have greased the growth of international commerce. Customers and products are getting more homogeneous, making global scale economies more attainable. The only way now that a country can be “economically land-locked,” observes Jeannet, is if the government chooses to isolate itself (North Korea) or others choose to isolate it (Cuba).

The author offers a schema for assessing the various factors or *logics* that are generating globalization pressures on a firm. Spiderweb diagrams are used to effectively represent the relative strength of these pressures. The scale for each spoke is ordinal, progressing from Local, to National, to Regional, then to Global. Spokes refer to such factors as Purchasing, IT platform deployment, and R&D location. A gap analysis of where the company is versus where it should be along each spoke can then be carried out. From that would come estimates of the resource commitment needed to close any gaps. Firms need to recognize that global asset deployment and acquisition may be quite different geographically from the deployment of its marketing targets. An interesting obser-

vation and recommendation by the author is that companies no longer need to follow the traditional path to becoming global. This path was (and still is for some firms) the outward, expanding circle of increased exports, the eventual foreign siting of sales-support facilities, followed by placing production operations overseas. Many firms became “accidentally global” this way. But now, with strategic forethought, a firm can become “intentionally global” at the outset. Jeannet cites Logitech as an example. This firm has product development in Europe, marketing in the U.S., and manufacturing in Taiwan.

The book’s 16 chapters are aimed at managers, but this volume would work as a course text if cases were used in conjunction. Some cases are mentioned in the end-of-chapter reference lists, but these are a bit dated. Marketing and strategy are the main thrusts of this book. Its real strength lies in the numerous clever, class-oriented diagrams perfected by the author.



Field Guide to the Global Economy
by Sarah Anderson,
et al.

The New Press, 145
pages, 2000.

www.thenewpress.com

Aimed at the layman
or student, this slim,

soft-cover book challenges the notion that globalization is automatically a good thing. It parades out the usual counter-examples of worker displacement, worker underpayment, and environmental overkill. It does, however, provide succinct statements of the pros and cons and a good, but sometimes shallowly documented, presentation of the major flows in the global economy: the flow of goods & services, the flow of funds, and the flow of people. The authors are associated with the Institute for Policy Studies, an official sounding name for what is essentially an anti-corporate crusader group. Like most critics of globalization, the authors lament the growth of transnational enterprises, including banks. They seem surprised that many should have revenues greater than the GDP of various countries—as if nothing could be supra-ordinate to the nation-state. They gripe about the ease with which international bankers are seemingly

able to get bailed-out of bad loan situations. They complain how the transfer of partially completed products from one tariff-free zone to another and the shell game of transfer pricing allow some multinational corporations to reduce their tax burden. To varying degrees, the authors and their allies are right in making these criticisms. Unfortunately, they do not make their case strong and balanced enough in this guide, which is more of a manifesto for those who want to organize protests against meetings of the WTO or the IMF.



Foreign Policy
Moises Naim, ed.

approx. 200 pages,
quarterly.

www.foreignpolicy.com

For those interested in globalization issues and other aspects of international affairs, this is a highly recommended periodical.

Each issue opens with a ‘Think Again’ article that attempts to address pre-conceptions and challenge established myths. For example, the issue pictured above examined the perceived pluses and misconstrued minuses of privatization by national governments. *Foreign Policy* shies away from the often lofty tone of *Foreign Affairs* and avoids the persistent smart aleckness of *The Economist*. It averages six to seven articles per quarterly issue, typically grouped into themes (such as Globalization at Work), and includes book reviews, Web sites, and abstracts. Each article has a ‘Want to know more?’ section—a useful, annotated bibliography. Contributors come from the academic arena, plus governmental and non-governmental bodies. The Spring 2000 issue includes an article entitled “Globalization: What’s New? What’s Not? (And So What?).” Its authors point out that we need to properly speak of *globalism*—the thick web of interdependences that characterizes the world—and that globalization simply means that it’s getting *thicker*. Not only are networks (all kinds) increasing in density, and messages increasing in speed and frequency, the real change is in the increase in “institutional velocity”—the rapidity of change of and within organizations. Surely you’ve noticed. ■