

Competing in the Global Marketplace: Lessons Learned and Future Prospects

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Agenda

- Background
- Changing dynamics in the global marketplace
- Lessons learned from globalization and global competition
- Prospects for the future
- How to prepare for the new world order
- Discussion: Implications for Singapore?

Background

- Recent *IMD* and *WEF* global competitiveness rankings show Singapore 2nd & 7th, respectively.
- *SLA* and *PSA*, among others, are ranked number 1 in the world as industry leaders.
- Foreign investment is pouring into Singapore, and competitors are coming here to benchmark.
- *Congratulations!* Are Singapore and its resident firms well positioned for the future?

Changing Dynamics in the Global Marketplace

- Increased opportunities for *global expansion and efficiency*
 - Trade liberalization across countries providing new market access.
 - Rising business costs (e.g., R&D) reinforcing the need for greater scale/scope economies.
 - Convergence in consumers' tastes across countries promoting product standardization.

Changing Dynamics in the Global Marketplace

- Increased pressure on *local investment and responsiveness*
 - Host government's demand for commitment and contribution to local economic development (e.g., technology transfer).
 - Existing/emerging cross-national differences (economic, political, legal, social, cultural).
 - Consumers' demand for greater choices and selections with local touch.

Changing Dynamics in the Global Marketplace

- Increased need for *worldwide learning and innovation*
 - Shortened product life cycle.
 - Diffusion of technological capabilities across countries.
 - Winning requires fast response to emerging business opportunities and competitive threats worldwide (first mover advantage).

Lessons Learned

- Businesses are increasingly faced with simultaneous and conflicting demands from these forces to be *globally efficient, locally responsive*, and effective in *worldwide learning and innovation*.
- New models of global business competition are being adopted in response to the changing dynamics (e.g., the *transnational, BP, Boeing-787*).
- Network / alliance competition, at both firm & country level, is becoming increasingly common.

Lessons Learned

- Size is not all important! Small can be better, as shown by Denmark, Singapore; Nokia, Honda.
- Global coordination capability, both at firm and country level, is key to building advantage.
- Most business managers are ill equipped to meet the globalization challenge.
- Most workers don't know and/or don't care much about globalization.
- Most governments are struggling for solutions.

Future Prospects

- An increasingly inter-connected, culturally-diverse, innovation-driven, and security-conscious (since 9/11) world economy.
- Global management knowledge, multi-cultural skills, experimentation culture, and corporate integrity, will be key to business success.
- Network collaboration and competition, at both country and firm level, will be the norm (e.g., *EU, NAFTA, Airbus/Boeing, StarAlliance*).
- Asia-Pacific will be the main battle ground for global dominance among MNCs for next 10 yrs.

Preparing for the New World Order

- Assess current strategic position/role in the region and globally & decide where to go from here.
- Leverage existing advantages and build new ones to support strategic initiatives.
- Enhance corporate security/sustainability with redundancy, compartmentalization, and loose coupling.
- Identify and cultivate suitable partners to form regional and global alliances/networks.
- Reinforce local market positions and engage international competitors in their home countries/regions.

Discussion: Implications for Singapore

- Which of the *ideas presented* are most *relevant* to Singapore and its resident firms? *Why?*
- What are the most *pressing issues/challenges* facing Singapore and its firms in the coming decade?
- How do you see the *new world order* from your vantage point?
- As a *business professional* living in Singapore, how can I better prepare for the future?
- As a *local firm*, how can we better prepare for the new global competitive dynamics?

Thank You!

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