

Cheatsheet module 5

Yip drivers (MCCG)

- **Market:** similar/global customers, transferable marketing
- **Cost:** scale economies, global sourcing, bulk purchase, logistics
- **Competitive:** multipoint competition, clusters, Red Queen
- **Government:** trade policies, technical standards, host government policies
- Every driver is **dynamic**; internationalisation comes in waves

Bartlett & Ghoshal

	Local pressure low	Local pressure high
Integration pressure high	Global	Transnational
Integration pressure low	International	Multi-domestic

- International: temporary, export (Xerox). Global: standardisation (cars). Multi-domestic: country managers (financial). Transnational: both (Unilever)
- The boxes are **stages**; transnational becomes a necessity

Entry mode (Johanson & Vahlne)

Exporting, licensing, franchising, sales rep/unit, then direct investment.

	Fast?	On failure	Risk
Buy	yes	sell on	culture, valuation
Ally	yes	share loss	control, learning race
Greenfield	no	not sellable	slow

Choice: **urgency, uncertainty**, type of capabilities (soft = hard).

LOF and OLI

- **LOF:** extra costs of a foreign firm (unfamiliarity, discrimination, geopolitics)
- **Ownership:** core competences, dynamic capabilities
- **Location:** Porter's diamond (factor, demand, related and supporting, strategy structure rivalry)
- **Internalization:** avoid transaction costs, entry mode
- The OLI advantage must exceed the LOF

CAGE (Ghemawat)

Cultural, **A**dministrative, **G**eographic, **E**conomic. Reus: C and A most important. Distance changes the ranking of countries.

NUMMI (GM and Toyota)

- GM: factory, workers (explicit). Toyota: TPS (tacit)
- Toyota learned, GM did not: not-invented-here, no absorptive capacity
- **Learning race**

Geopolitics

- Anarchy = football without a referee, not chaos
- **Conflict equilibrium** (tariffs, breaking agreements) versus **cooperative equilibrium**
- Consequences: market entry, investment security, equal treatment, institutional alignment
- **Disequilibrium:** shift in power, nationalism, new friend-foe views

Exam tips

- Full sentences, do not translate English technical terms
- 5p for a Yip driver with explanation; transnational with high pressure on both; acquisition: faster and can be sold on