

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

Key terms (never translate)

internationalization drivers market drivers
cost drivers competitive drivers
government drivers multipoint competition
global sourcing global integration
local responsiveness international strategy
global strategy multi-domestic strategy
transnational strategy entry mode greenfield
joint venture learning race urgency uncertainty
soft capabilities liabilities of foreignness OLI
Porter's diamond CAGE framework
cultural distance administrative distance
conflict equilibrium cooperative equilibrium
disequilibrium market entry investment security
equal treatment institutional alignment