



Book review

Gupta, Anil; Govindarajan, Vijay; Wang, Haiyan: The Quest for Global Dominance – Transforming Global Presence Into Global Competitive Advantage. Second Edition, Wiley India (P) Limited New Delhi. 2008 Price Rs. _____

Dr. Aneeta Madhok

December 2008

The biggest reality we encounter today is the multifarious aspects of globalization. Whether it is a financial crisis, recession, movement of capital markets, or it is terrorism, geo-politics or any other event, big or small, the impact of mutual interdependence and collective impact of nations on each other is on the increase. As we move towards more borderlessness of economics, trade, society, crime or terrorism, the nature of regional and cultural differences gets diffused and gives rise to an emergence of a global melting pot. Inside this melting pot is a battle for survival of the fittest and largest and the most upwardly mobile. The corporate quest for Global Dominance.

In keeping with the exponential pace of globalization, authors Gupta, Govindarajan, and Wang have added enormous value to the second edition of the book by adding three new chapters. The content of the existing chapters has been updated to an extent that this can constitute a new and up-to-date book altogether. The foreword by Jeffrey Garten, former Dean of Yale School of Management and Professor of International Trade, Finance and Business, foresees the emergence of start-up companies born out of a need for global operation, and the freshness of the book with information and strategic insights on China and India.

Simplifying a highly complex and polarized phenomenon called globalization means going back to the elementary basics of what is globalization, what constitutes a global company, how do we assess for corporate globality, drivers of globalization, understanding implications for companies and making a case for globalization as an imperative for businesses today? The authors make for interesting coffee table conversation with a smattering of data spread out thinly in the first chapter on Rising up

To the Global Challenge. Building a global presence through a strategic choice of products, markets, entry strategy, creating core culture, winning the local battles for markets and customers is explained in macro conceptual terms.

A much documented case study of globalization of Walmart is presented at length. The move towards gaining a global competitive edge comes from Walmart's choice of markets, roads taken and roads not taken, strategic choice of entry modes, transplanting corporate DNA and winning local battles, and right-pacing the speed of globalization. It's not just enough to have a global presence, but to exploit it and create a magical competitive advantage. Some of the sources of such global competitive advantage have been identified by the authors as: responding to local market differences, exploiting economies of global scale and global scope, tapping the most optimal locations for activities and resources, maximizing knowledge transfer across locations, and playing the global chess game with competition. The book also explores some of the action implications of creating global competitive advantage through an analysis of drivers of global value and designing an optimal architecture of the value chain and building world class competencies. Cultivating a global mindset gives the competitive edge to how people sense and interpret the world around them. What is the nature of this global mindset, a diagnostic set of questions designed to assess if the reader as an individual or the organization has a global mindset, and survey results of a global mindset audit in three major corporations are presented. There are many examples of how companies cultivated a global mindset.

The organization as a Global Knowledge machine can be built by unpacking the knowledge management agenda. Knowledge accumulation and mobilization across countries needs to overcome some of the identified pitfalls and pathologies that block knowledge outflow according to the authors. The Dynamics of Global Business Teams is a chapter that focuses on the soft skills that can make corporate efforts to globalize succeed or fail. Why do global teams fail? This question has been answered by presenting this formula: Define the team charter, configure the global business team, ensure cognitive diversity, team size, selection of team leadership, manage team processes, overcome communication barriers, cultivate trust and many other such insights on the way forward. If you thought that globalization was only for mature companies, then think again. There is a whole chapter devoted to exploring the globalization of young ventures. Early globalization is termed as a double edged sword and dilemmas of "to globalize or not to globalize" are understood in detail. Currency of the inputs is provided in the chapter on leveraging China and India for Global Dominance. There is much data on India and (vs?) China but this is primarily intended for reading and understanding of American audience as it is a view from the other side.

There are many macro level statements in the book. They are all supported with examples, nevertheless and these bits of data are densely scattered throughout the book supporting every motherhood statement. Without these examples, the book would be a string of clichés and standard phrases. It is the prolific nature of connection

with this plethora that makes the time spent on reading, worthwhile. We all know that there is a great deal of intrinsic appeal in the macro strategy that this book presents and it makes for excellently entertaining flow of thoughts and ideas. However, the more hardnosed business executives might ask for more “Hows”. The cerebral treat of ‘The Quest for Global Dominance’ sends a rush of energy to the head and brain but leaves the hands and legs feeling a bit undernourished.

It is well known that the best of strategies fail. The success lies in the implementation, and the implementation lies in operational excellence that delivers. Strategic excellence without operational excellence is like cream without cake. There is a smooth flow of expression and clarity of concepts. By itself, the book is a tremendous academic exercise and makes for good lectures in the Business School classroom but does not go beyond.

The book is essentially an assembly job with not much synthesis of ideas into generalizable insights, theory and concepts. So many things that so many companies do, are put together into a salad bowl and tossed around resulting in a collage of flavours and colours. The churning and of these ideas needs to be added to bring out the true blend of taste that is potentially inherent in the work done and presented.

In reality, globalization is neither easy nor glamorous. It is a chaotic process with company blueprints going haywire with every uncertainty that comes along the way. Sustaining the global way of life is hugely challenging and there is much human and economic cost along the way. There is a dark side too. Evidence is ample in the ways in which the global economy has burst like a bubble. The protestors at Davos and WEF summits would have predicted this ages ago. There are many jobs lost locally to countries that do it smarter and cheaper, there is a rush for greener pastures that feeds on sentiments and overrides rationality. Global greed has increased exponentially and business has often gone down the spiral in a move that is more retrograde than evolutionary. Management processes have become complex to the point of becoming chaotic and it is each man for himself today. Tomorrow is yet another day and will only bring more uncertainty. Making a case for Global Dominance as an imperative needs to account for this dark side too, or else we will get caught in the schpeel of a view through rose tinted glasses.

The human spirit rises to the occasion and overcomes the darkness that globalization often brings to the fore. This book is an example to this effect. The enormous faith in the building of Global Business Teams and achieving global competitive edge through simplistic methods speaks volumes of the faith in the human spirit. Conquer we will.

Aneeta Madhok
December 2008.

Reviewers Profile:

Aneeta Madhok, MBA (XLRI), PhD, CMC, GPHR. Is a global management professional. She is the Director of Open Spaces Consulting (Private) Limited. In the past she has held the positions of Dean, Centre for Human Resources at the S.P. Jain Center of Management in Dubai and Singapore and Dean (School of Business) at NMIMS University. She is an academician, and a professional trainer and teacher in the field of Organizational Behavior and Human Resources Management. Dr. Madhok graduated with a degree in Psychology Honours from Delhi University and completed her MBA in Human Resources and Organisation Development from XLRI, Jamshedpur. After having extensively worked for eight years in all areas of Personnel Management and HRD, she undertook doctoral studies and completed her Ph.D. in the field of Managerial Leadership and Work Motivation in 1991. Dr. Madhok looks for opportunities to translate management practice into theory and vice versa. She is keenly interested in the ways that individuals integrate themselves with organizations and group dynamics in teams. Her research and consulting work has led her to provide insights and management process solutions to several leading organizations. She has to her credit over 70 publications including refereed articles, consulting projects, newspaper articles and book reviews published nationally and internationally. She is a member of the Executive Committee of the International Council of Management Consulting Institutes, and chairs the Professional Standards Committee of ICMCI. She is also the Past President of the Institute of Management Consultants of India, fellow of Sumedhas Academy for Human Context, a Certified Management Consultant and has been the recipient of scholarship awarded by the Foreign Commonwealth Office of the United Kingdom, and the Best Management Teacher award of the Bombay Management Association.