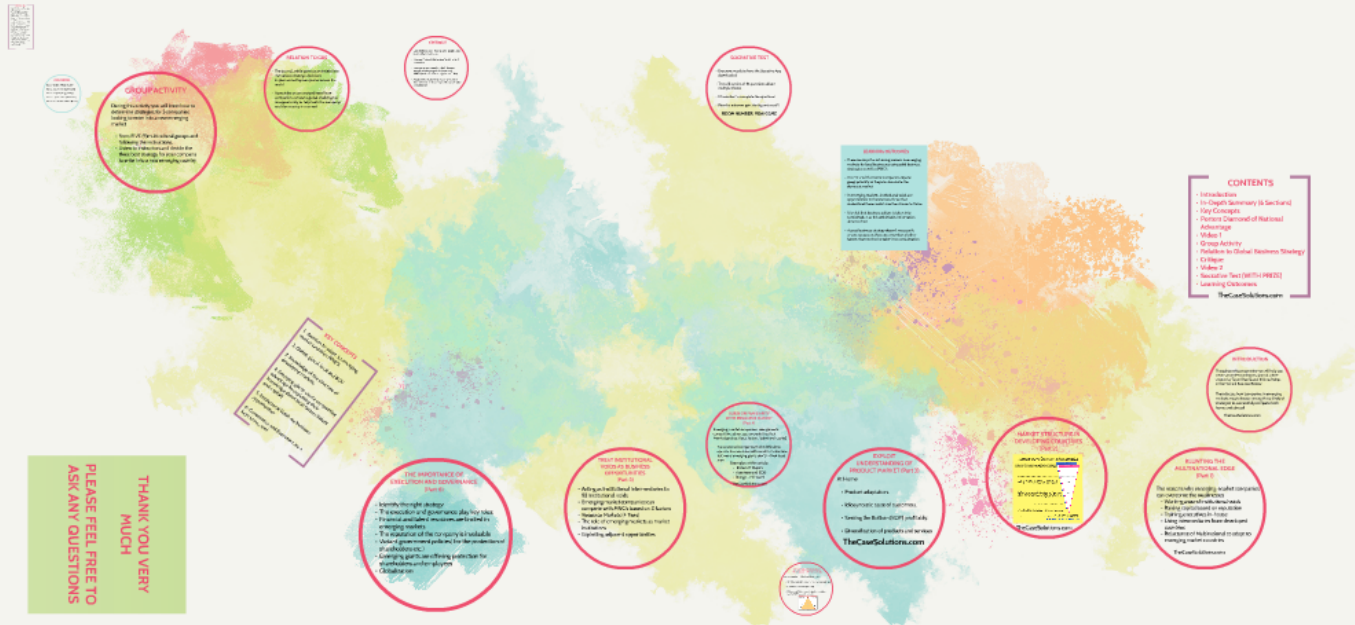


LANDHILLS WINERY: DEVELOPING AN OPTIMAL BLENDING PLAN

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- Porter's Diamond of National Advantage**
- Factor Conditions
 - Demand Conditions
 - Related and Supporting Industries
 - Firm Strategy, Structure and Rivalry
 - Government

Application to Japanese Fax Machine Industry

- Japanese Factor Conditions** - There is a relatively high number of electrical engineers per capita.
- Japanese Demand Conditions** - The market is very demanding due to intense language.
- Japanese Related and Supporting Industries** - It is largely related to high-tech technology e.g. lack of space in Japan has led to great institutional arrangements.
- Japanese Firm Strategy, Structure and Rivalry** - The domestic rivalry in Japanese fax machine industry is intense and innovation and quality in support cost reductions.
- Government Support** - MITI (the state owned development company) is charging its surplus some special assignments to such institutions to a more general type approval - standardization.

Timing

1. Presentation - roughly 35 mins including 2 videos
2. Group Activity - 15mins
3. Simulation - 10mins
4. Interactive - 10mins

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1. Introduction
2. In-Depth Summary (6 Sections)
3. Key Concepts
4. Porters Diamond of National Advantage
5. Video 1
6. Group Activity
7. Critique
8. Socrative Test (WITH PRIZE)
9. Learning Outcomes

GOALS
1. Understand the importance of institutional voids in emerging markets.
2. Analyze the role of institutional voids in the success of emerging market companies.

GROUP ACTIVITY
During this activity you will learn how to determine strategies for 5 companies looking to enter into a new emerging market.

- Form PVE (5) multicultural groups and following the instructions
- Listen to instructions and discuss the three best strategy for your company to enter into a new emerging country.

RELATION TO DIBS

- The purpose of this activity is to help you understand the importance of institutional voids in emerging markets.
- It provides an understanding of how companies can use a global DIBS as an opportunity to reduce the impact and if necessary to succeed.

CRITIQUE
1. Evaluate the importance of institutional voids in emerging markets.
2. Analyze the role of institutional voids in the success of emerging market companies.

SOCRATIVE TEST
1. Evaluate the importance of institutional voids in emerging markets.
2. Analyze the role of institutional voids in the success of emerging market companies.

LEARNING OUTCOMES

- 1. Evaluate the importance of institutional voids in emerging markets as well as PVE's.
- 2. Analyze the role of institutional voids in the success of emerging market companies.

CONTENTS

- Introduction
- In-Depth Summary (6 Sections)
- Key Concepts
- Porters Diamond of National Advantage
- Video 1
- Group Activity
- Relation to Global Business Strategy
- Critique
- Video 2
- Socrative Test (WITH PRIZE)
- Learning Outcomes

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KEY CONCEPTS

1. Ability to adapt to emerging market PVE's
2. Global, local, social and PVE
3. Knowledge of the structure of institutional voids in emerging markets
4. Emerging market companies can use a global DIBS as an opportunity to reduce the impact and if necessary to succeed
5. Institutional voids are business opportunities
6. Governmental voids are business opportunities

THE IMPORTANCE OF EXECUTION AND GOVERNANCE (Part 4)

- Identify the right strategy
- The execution and governance play key roles
- Financial and talent resources are limited in emerging markets
- The reputation of the company is valuable
- Variant government policies for the protection of shareholders etc.]
- Emerging giants are offering protection for shareholders and employees
- Globalization

TREAT INSTITUTIONAL VOIDS AS BUSINESS OPPORTUNITIES (Part 5)

- Acting as Institutional Intermediaries to fill institutional voids
- Emerging market companies can compete with MNC's based on 3 factors
- Resource Markets (4 Tiers)
- The role of emerging markets as market institutions
- Exploiting adjacent opportunities

DEVELOP PARTNERSHIPS WITH INSTITUTIONAL VOIDS (Part 6)

- Emerging market companies can use a global DIBS as an opportunity to reduce the impact and if necessary to succeed
- Turnover and corporate social responsibility to support institutions with social factors can help emerging market companies to succeed
- Developing a PVE
- Adaptation and PVE
- Emerging market companies can use a global DIBS as an opportunity to reduce the impact and if necessary to succeed

EXPLOIT UNDERSTANDING OF PRODUCT MARKET (Part 7)

At Home

- Product adaptation
- Idiosyncratic taste of customers
- Serving the Bottom (BOF) profitably
- Diversification of products and services

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MARKET STRUCTURE IN DEVELOPING COUNTRIES (Part 2)

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BLINDING THE MULTINATIONAL EDGE (Part 1)

The reasons why emerging-market companies can overcome the weaknesses

- Working around institutional voids
- Raising capital based on reputation
- Training executives in-house
- Using intermediaries from developed countries
- Redundance of Multinational to adapt to emerging market countries

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INTRODUCTION

Throughout this presentation you will learn how to determine strategies for 5 companies looking to enter into a new emerging market.

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THANK YOU VERY MUCH
PLEASE FEEL FREE TO ASK ANY QUESTIONS

CONTENTS

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- Video 1
- Group Activity
- Relation to Global Business Strategy
- Critique
- Video 2
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- Learning Outcomes

INTRODUCTION

Throughout this presentation we will help you create an understanding of a journal article created by Tarun Khanna and Krishna Palepu in the Harvard Business Review

They discuss how companies in emerging markets must choose among three kinds of strategies to successfully compete both home and abroad!

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BLUNTING THE MULTINATIONAL EDGE (Part 1)

The reasons why emerging-market companies can overcome the weaknesses

- Working around institutional voids
- Raising capital based on reputation
- Training executives in-house
- Using intermediaries from developed countries
- Reluctance of Multinational to adapt to emerging market countries

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MARKET STRUCTURE IN DEVELOPING COUNTRIES (Part 2)

The Four-Tiered Structure of Markets
In developing countries, the markets for finished goods (products) and raw materials (factors of production) can be broken up into four distinct components.

At the apex of the market pyramid is the **global tier**. In the product market, this section consists of consumers who want offerings to have the same attributes and quality that products in developed countries have and are willing to pay global prices for them. In the talent market, this tier consists of top-notch managers, such as newly minted graduates from the Indian Institutes of Management, who demand global-level salaries.

Immediately below that is the **glocal tier**. In the product market, this tier consists of consumers who demand customized products of near-global standard and are willing to pay a shade less than global consumers do. An example would be Chinese and Indian executives who prefer to stay in a Shangri-La or Taj hotel rather than at a Four Seasons. In the talent market, this section consists of high-quality managers who will work only for local companies even if the pay is a little less than it would be at multinational corporations.

Consumers in the **local tier** are happy with products of local quality and at local prices. In the talent market, managers in this section will put up with less-than-world-class working conditions as long as they are paid higher-than-average salaries.

The **bottom** of the market consists of people who can afford only the least expensive products.

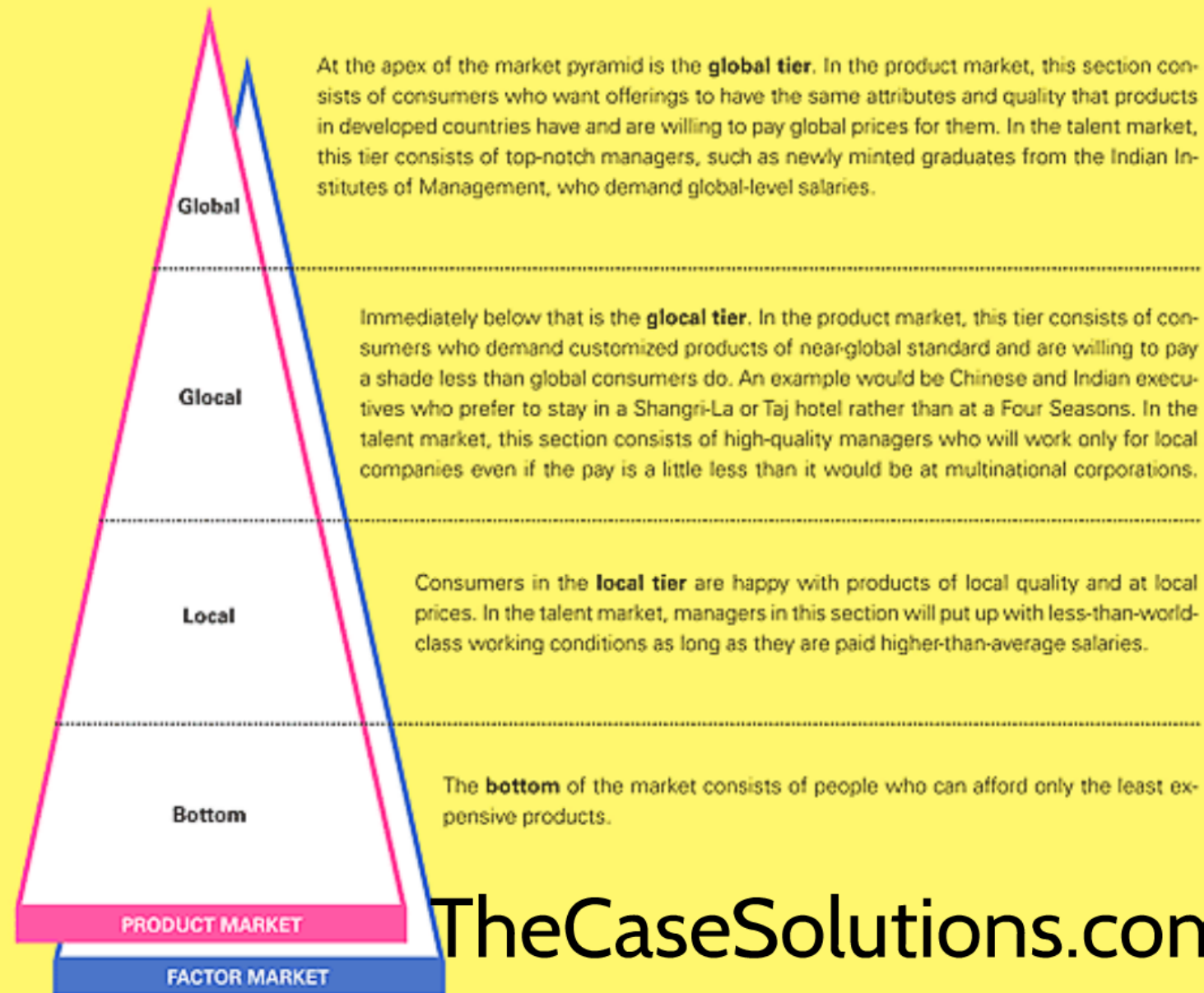
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Multinational corporations typically compete for consumers and talent only in the global tier. Meanwhile, smart local companies, which dominate the local tier, move into the global tier and also create breakthrough products for the bottom segment as economies liberalize. These businesses often become emerging giants.

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The Four-Tiered Structure of Markets

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EXPLOIT UNDERSTANDING OF PRODUCT MARKET (Part 3)

At Home

- Product adaptation.
- Idiosyncratic taste of customers.
- Serving the Bottom (BOP) profitably.
- Diversification of products and services

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EXPLOIT UNDERSTANDING OF THE PRODUCT MARKET (Part 3B)

Internationally: TheCaseSolutions.com

- Similar opportunities in other developing countries.
- Customer preference (diaspora)
- Niche opportunities in developed economies, serving BOP around the world

