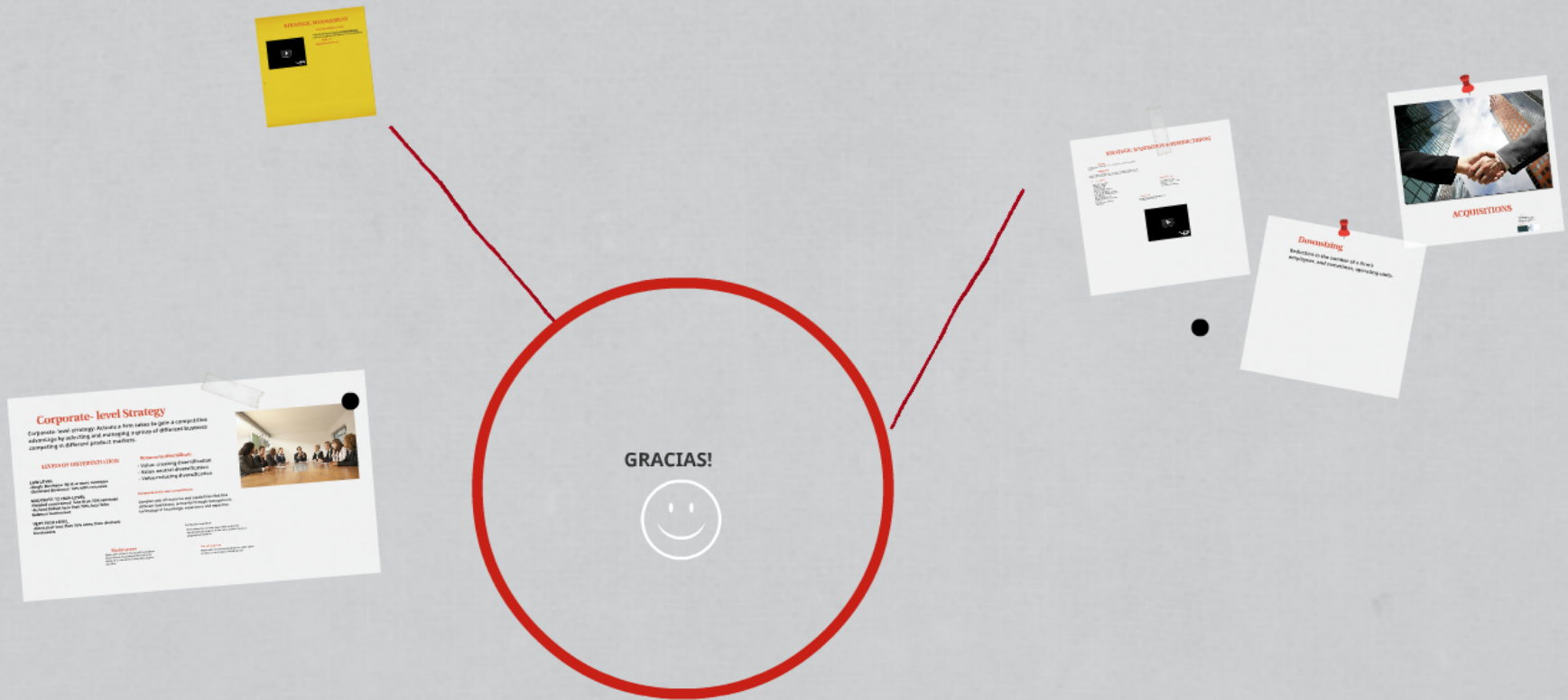


## International Corporate-Level Strategy



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# Corporate- level Strategy

Corporate- level strategy: Actions a firm takes to gain a competitive advantage by selecting and managing a group of different business competing in different product markets.

## LEVELS OF DIFFERENTIATION

### LOW LEVEL

- Single Business: 95 % or more revenues
- Dominant Business: 70%-95% revenues

### MODERATE TO HIGH LEVEL

- Related constrained: less than 70% revenues
- Related linked: less than 70%, less links between businesses

### VERY HIGH LEVEL

- Unrelated: less than 70% come from dominant businesses

## Reasons to diversificate

- Value- creating diversification
- Value-neutral diversification
- Value-reducing diversification

## Corporate-level core competences

Complex sets of resources and capabilities that link different businesses, primarily through managerial & technological knowledge, experience and expertise.

### Multipoint competition

Exists when two or more diversified companies simultaneously compete in the same product areas or geographical markets

## Market power

Exists when a firm is able to sell its products above the existing competitive level or to reduce the costs of its primary and support activities.

## Vertical Integration

Exists when a company produces its own inputs or owns its own source of distribution.



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