

## CLASS 2: LINKING NATIONAL AND FIRM-LEVEL ADVANTAGE

### LEARNING OBJECTIVES:

1. Understand elements of “home base” advantage for firms competing internationally.
2. Understand relation between comparative advantage (based on country characteristics) and competitive advantage (based on firm-level configuration and competencies).

### READINGS:

1. Michael Porter, “Competing Across Locations: Enhancing Competitive Advantage through a Global Strategy” from Porter, *On Competition*, 1998.
2. Marian Beise, “Lead markets: country-specific drivers of the global diffusion of innovations,” *Research Policy*, **33** (2004) 997–1018.

CASE: Finland and Nokia HBS 9-702-427

### QUESTIONS FOR DISCUSSION (based on the case and article):

1. What were the primary characteristics of Finland that allowed Nokia to build a global leadership position in mobile phones? Which ones of these were the result of explicit policy choices?
2. To what extent were these advantages unique to Finland, compared to Germany or other countries in Western Europe, the U.S. or Japan?
3. To what extent did Nokia “reach beyond” these “home base” characteristics in establishing its leading position?
4. Do you think the same cycle of establishing advantage (and the associated business model) in an advanced country and diffusing it to other markets (including emerging markets) is still relevant in this industry? Why or why not?