

CLASS 4: BUILDING A GLOBAL BUSINESS

LEARNING OBJECTIVES:

1. Illustrate how competitive advantages can be developed from a variety of national bases (highly developed, middle, emerging).
2. Understand the interaction between advantages resulting from structural position and unique capabilities.
3. Understand and apply process of building capabilities through a sequence of “exploit-enhance” cycles. (RATs and “Platforms”)

READINGS:

1. Ghemawat, Chapter 3, “Global Value Creation.”
2. Lessard and Lucea: “Middle-out Multinationals: Developing Sustainable Competitive Advantage from a Mexican Base,” forthcoming in Ravi Ramamurti and Jitendra V. Singh, eds., *Emerging Multinationals from Emerging Markets*, Cambridge University Press (posted on MIT server)

CASE: Globalization “The CEMEX Way” MIT Sloan Courseware (to be distributed)

QUESTIONS FOR DISCUSSION:

1. What are the key elements of CEMEX’s strategy?
2. To what extent do they reflect the conditions of its home market?
3. What unique capabilities has CEMEX developed in order to realize these advantages?
4. How has it done so?
5. To what extent to these advantages take advantage of and/or require regional or global scope?