

CLASS 7: RESPONDING TO STRATEGIC THREATS FROM LATE MOVERS

LEARNING OBJECTIVES:

1. Develop “out of the box” thinking regarding potential markets, global segments.
2. Understand evolution of global market segments.
3. Develop ability to trace out implications of market evolution for firm-level competitive advantage, strategy, and organization.

READINGS:

1. Dawar, Niraj and Tony Frost. 1999. "Competing with Giants: Survival Strategies for Local Companies in Emerging Markets." *Harvard Business Review*: 119-129.

RECOMMENDED:

Ramamurti, Ravi and Jitendra V. Singh (2007) “Generic Strategies of India’s Emerging Multinationals,” forthcoming in Ramamurti and Singh, *Emerging Multinationals from Emerging Markets*, Cambridge University Press.

CASE: The PC Wars: Dell vs. Lenovo, MIT Sloan Courseware.

QUESTIONS FOR DISCUSSION

1. How has the PC Industry evolved in recent years? What markets will exhibit the best opportunities in the future?
2. What are the key differences between Dell and Lenovo’s business models?
3. Is Dell’s model and strategy working in the Chinese market? What difficulties is the company encountering?
4. How should Lenovo approach the US market? Do you think the decision to launch the new Lenovo 3000 series is a good move for Lenovo? Can a firm compete with different business models in different locations?
5. Do you think that Lenovo’s acquisition of IBM will/could be a success story? How quickly do you think that Lenovo should drop the “IBM” name in favor of marketing a new, unknown brand in its place?