

International Business 2253
Exam November 27, 2010, time: 4 h
Examiner: Kristiina Mäkelä

Please answer all questions. Note that your answers to question 1 may not exceed 10 lines per sub-question, and your answers to questions 2 and 3 may not exceed 3 pages per question. Please make sure you write clearly. Good luck!

Kristiina

1. Please provide brief answers to the following questions:

- a) Nahapiet & Ghoshal (1998) have suggested in their seminal article that social capital is a three-dimensional construct. What does this mean?
- b) What does the Hill book say about different staffing policies/approaches in multinational corporations?
- c) What are the key similarities and differences between the traditional Uppsala model and the network model of internationalization?
- d) What does the concept of organizational architecture refer to?
- e) Explain what Birkinshaw & Ridderstråle (1999) mean with the corporate immune system.

(Max. 5 x 3 points, max. 10 lines per sub-question)

2. Please discuss and critically evaluate the statement “think global, act local” in the context of multinational corporations, contrasting it with different strategic and structural choices MNCs can make. Use examples to illustrate your analysis.

(Max 15 points, max. 3 pages)

3. Please read the case overleaf and analyze it using the knowledge you have of the relevant course literatures.

(Max. 20 points, max. 3 pages)

Case XYZ (Question 3)

XYZ is a successful Nordic food and beverages manufacturer with headquarters in Finland, and major operations in the other Nordic countries. Their products have market leading positions not only in Finland but also in Sweden and Norway, with a strong position also in the Danish market. The company is now considering entering into the Russian market which is lucrative and has a lot of future growth potential. Preliminary market research has shown convincing results in that the company's products seem to be well received by Russian consumers. Furthermore, it is very important for XYZ to get a firm foothold on the attractive Russian market before international competitors enter. The company CEO has stated their strategic intent in the last shareholder meeting, and now it is time for action.

You are XYZ's business development manager and a member of the company's top management team. Your task is to present the CEO and the rest of the management team with an analysis of the available options you have, together with an action plan. The upside is clear, but your analysis should evaluate the potential risks associated with entering the Russian market, and compare the advantages and disadvantages of different ways of entering the market. You should finish your analysis with a well-argued recommendation of the best way to enter the Russian market.