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Introduction: International Strategy and Location Specificity

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Background

This book focuses on value creation through international strategy. This is a complex topic that requires us to delve into the interaction between places and firms, in order to try to understand the differences across locations and the logic whereby some firms are able to overcome or exploit such differences in order to create value (Ricart et al. 2004). In this introductory chapter, we will elaborate on some of the conceptual underpinnings of this book, particularly the notion of location specificity.

This volume results from a conference held in Barcelona at IESE Business School, University of Navarra, in June 2003, and sponsored by the Anselmo Rubiralta Center on Globalization and Strategy. The purpose of the conference was to overcome some of the constraints of distance (an important theme, it turned out, at the conference) and assemble a group of distinguished scholars to discuss papers and themes related to international strategy in a format that offered more room for extended, focused discussion than is often the case at conferences. The call for papers was deliberately broad. While our primary purpose in organizing the conference was to provide a forum for discussing research on how to create value through international strategy, we were also interested in work relating considerations of organizational structure and process to considerations of value creation. We sent invitations to submit papers to a group of scholars known for work spanning a wide range of disciplinary areas as well as methodologies, and were gratified by the response.

In order to encourage a lively discussion around the conference themes, we decided to move away from the traditional format of paper
presentation followed by discussion. Instead, the individual presentations were wrapped into a panel-like format. One person served as a provocateur for each panel, setting the stage for it so as to provide a common ground to which the presenters could relate, and provoking discussion about broader themes and issues that cut across the papers in the panel. Eighteen papers were presented at the conference; the thirteen that survived a process of self-selection and revision (overseen by the provocateurs) are the chapters that are included in this volume, along with overviews of each panel or part of the conference by the provocateurs.

Aiming to reach a broader audience than specialized journals, we asked the authors to remove technical detail that would be appropriate in other outlets and – within space limits – to be more extensive in terms of reviewing the research question and theory development.

The purpose of this introductory chapter is not to summarize individual papers or even the provocateurs’ introductions to the five parts of this volume into which the papers are grouped, but to offer a particular perspective on the issues that they help resolve or highlight as unresolved. From our perspective, while there are some common threads that run through most of the chapters, it is useful to begin by dividing them into two groups: those primarily concerned with strategy in the traditional sense (Parts I and II) and those more focused on organizational issues, broadly defined (Parts III–V). This is, of course, an oversimplification: most of the papers in this volume have both strategic and organizational elements. Still, there are some systematic differences – across the two groups – in terms of the relative weight placed on traditional strategic concerns about what international expansion involves and yields versus organizational concerns centring on how international firms are managed.

On the strategy side, the chapters in Part I focus on the process of international expansion, and those in Part II on the value to be derived (or not) from internationalization. On the organizational side, the chapters in Part III provide fresh perspectives on long-standing organizational issues in international business, those in Part IV look at quasi-organizational rather than organizational forms – specifically, organizational alliances and personal networks – and those in Part V are concerned, among other things, with the complexities wrought by internationalization or required for its pursuit to be successful. The individual chapters are described in more detail in the provocateurs’ introductions to each part of this volume. What we want to accomplish here is examine the emergent conference theme of location specificity, elaborate how it intertwines with the contributions in this volume and