

The Power Network Concept:

A theoretical and empirical approach to strategy in the Global Network Economy

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	Commercial Bank of China Limited
3.2.4	Transport and Travel: China Railway Group Limited, Deutsche
	Bahn AG, Deutsche Lufthansa AG, and American Airlines, Inc
3.2.5	Post and Delivery: Japan Post Group, Deutsche Post DHL, and
	United States Postal Service
3.2.6	Media and Entertainment: Vivendi SA, The Walt Disney
	Company, and SoftBank Corp.
3.2.7	Telecommunication: AT&T Inc., Nippon Telegraph and
	Telephone Corporation, and Deutsche Telekom AG
3.2.8	Aircraft: The Boeing Company, EADS Group, and Aviation
	Industry Corp. of China
3.2.9	IT and Electronics: Hewlett-Packard Company, Siemens AG, and
	Panasonic Corporation
3.2.10	D Electrics: General Electric Company, Samsung Electronics, and
	Robert Bosch GmbH
3.2.1	1 Energy: E.ON AG, Petrobras, and Suncor Energy Inc
3.2.12	2 Gas and Oil: Royal Dutch Shell Group, ExxonMobil Corporation,
	and Sinopec Group
3.2.13	3 Food and Nutrition: Nestlé S.A., Kraft Foods Inc., and COFCO
3.2.1	4 Supermarkets and Retailers: Wal-Mart Stores Inc., Carrefour
	S.A., and 7&I Holdings Co., Ltd
3.2.1	5 Consumer goods: Johnson & Johnson, The Procter & Gamble
	Company, and Unilever
3.2.10	6 Chemical products: BASF SE, Dow Chemical Company, and
	Sinochem International (Holding) Co. Ltd
3.2.1	7 Pharmaceutics: Cardinal Health, Inc., Novartis AG, and Suzuken
	Co., Ltd
3.2.18	8 Tobacco: Imperial Tobacco Group PLC, British American
	Tobacco PLC, and Japan Tobacco Inc
3.2.19	9 Industrial companies: Compagnie de Saint-Gobain, Caterpillar
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3 2 20	O Mining: Rio Tinto Group and Vale S A

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List of Abbreviations

CSR Corporate Social Responsibility

e.g. exempli gratia (for example)

et al. et alii

HRM Human Resource Management

i.e. id est (that is)

M&A Mergers & Acquisitions

PNC Power Network Concept

R&D Research and development

US United States

USA United States of America

Introduction

Every organization has a strategy – either intended or unknowingly. This strategy shapes the organization's actions and guides its employees and stakeholders. Depending on the organization's size and effort, its strategy might be more or less complex. That is why strategy research has a long tradition in business economics and management. Especially since the 1950s, studies with different focus and different methods arose, but were criticized for being incongruent or non-holistic. The uniting aim of strategy research is to find out what differentiates more successful organizations from less successful ones and whether carefully chosen strategies can help an enterprise to flourish on the market. Over the years, the environment and the challenges in markets have developed obviously, asking for strategy adaptation of the organizations. Due to the "hypercompetitive world," as Flood et al. (2000) coin the changing environments, an increasing amount of studies call for multi-method research in strategy (MacLennan, 2011).

The aim of this dissertation is to systematically study enterprises' strategies in the global network economy. Each strategy, of course, defines internal aspects of an enterprise, but also relationships to external factors in a given environment (e.g. government regulations). Based on a theoretical and empirical approach, we introduce the Power Network Concept (PNC), a new holistic strategy concept that enhances the concepts of competitive and partnership strategies with the two main elements of the global network economy, network effects and social responsibility. We argue that the advent and advancement of global information networks has changed the game for globally active enterprises in these two important aspects that are not covered by any of the holistic strategy concepts suggested so far. The widespread use of information technology and of the internet, one on hand, has globalized the consumer and enabled a direct link of global enterprises not only to the network of suppliers, but also to the network of customers. These customer networks, we argue, create huge network effects that lock-in the consumer and lockout the competitors. But, on the other hand, global information sharing also has a profound transparency effect that leaves no room for hidden activities of global enterprises. This glasshouse effect is a game changer, because it requires global

enterprises to truly act socially responsible instead of just communicating social responsibility in their mission statement.

The work is organized as follows. In chapter 1, we show that the literature so far lacks an adaptation of the strategy concept to the global network markets we observe today. We thus provide a historic overview of the strategy literature, arguing that the strategy concept has always been driven by the features of the business environment governing the markets at that time. While the term strategy is still linked to its military origin, especially since the 1850s the term increasingly developed a business-orientation (Kim, & Mauborgne, 2004 a). However, Eccles (1994) claims the term strategy to be used in confusing, partly inconsistent way. Our strategy definition is a holistic approach. Based on Ansoff's (1965) definition of strategy as a "unifying viewpoint for all types of conflict situations, regardless of whether their origin is in war, politics, or business" (p. 118), we extend the definition to encompass all planned interactions with customers, competitors, and all other stakeholders. In other words, strategy describes what an enterprise aims at achieving and/or the way to do this (Eccles, 1994). In a systematic literature review, we discuss the 94 most influential works of the centuries, starting with the 1950s. Each of these concepts is well adapted to the business environment of its time. An adaptation to today's globalized markets, however, seems to bend the concepts beyond their original scope.

In chapter 2, we present the Power Network Concept. Our new concept is based on the systematic literature review of chapter 1 and an analysis of corporate reports that is presented in chapter 3. Chapter 2 defines the PNC and gives an insight on the 24 strategy aspects that are grouped in two circles, namely the inner and the outer circle, and one frame, namely the relationship frame. Four case studies show the link between the PNC and existing strategy concepts, as the cost leadership strategy, the differentiation strategy, the coopetition strategy, and the blue ocean strategy.

In chapter 3, we present the results of the empirical industry-by-industry analyses (PNC analysis) of official documents with which we evaluate more than 60 global companies acting in 21 industries. All companies are part of the Fortune Global 500 list. Our brief overview of the results confirms that the PNC can be a helpful tool to analyze and classify strategies of globally active firms. The results of the analysis

were implemented in the first versions of Power Network Concept which led to the final version presented in chapter 2. Additionally, chapter 3 incorporates the results of our empirical data analysis.

We present a new method for translating corporate websites to strategy aspects. Therefore, we used the information of the corporate websites to derive qualitative parameter values and asked representatives of the enterprises to evaluate our parameter value interpretations one by one. With the help of a coder consistency measure, we check the sample survey of consistency. The consistency rates are presented in chapter 3, together with the results of the data analysis. In the majority of the aspects, our PNC interpretation is confirmed by the firms that participated in our questionnaire study.

In chapter 4, we show how the PNC can be used as a strategy formulation tool. We therefore present the different outcomes and interpretations of the strategy aspects and explain how a decision maker could use the PNC to formulate a successful strategy. The work is wrapped up with a short critical discussion of the PNC in chapter 5. We close with an outlook on how the concept can be used to implement strategy implementation and control its execution. Finally, we hint at future research plans.

Chapter 1

1. Strategy in historic perspective: A systematic literature review

1.0 Introduction to the term strategy

Strategy research has a long tradition. First studies with respect to strategy in businesses date back to the 19th century. Whereas the word 'strategy' has its roots in the military history of the ancient Greeks, today's meaning developed over time. The aim of this part is to present the main schools of thought of the second half of the 20th century until today. After providing a short introduction into the initial understanding of the word strategy, we show methods of strategy research of the 1950s until today. We use a systematic literature review to given an insight into the main ideas of the 1950s and 1960s, the 1970s, the 1980s, the 1990s, and the 21st century. In each decade, we interpret the most relevant outcomes that were presented in journals and books for academics and/or managers.

1.1 Strategy definition in a historical context

Although the term strategy has still a connotation to its military origin (Galbraith, & Kazanjian, 1986; Kim, & Mauborgne, 2004 a), especially since the 1850s, the word got a business-orientation. From the 20th century onward, the term strategy has been officially referred to business decisions and was suitably used in this context from the 1920s on (Ghemawat, 2002). As population and thus the amount of customers grew, the number of businesses as well as their sizes increased. This market increase was accompanied by developments in communication systems, financial availability, and research and development. All these developments forced firms to

think strategically. Strategic planning became omnipresent from the 1950s on (Ansoff, 1957; Ansoff, 1965; Chandler, 1977; Ghemawat, 2002).

Simultaneously, theoretical research on strategy intensified in the field of management, especially since the mid-1950s (Ansoff, 1965). The term itself has been defined as an overall concept of a company's work which is of military influence. According to Ansoff (1965), strategy can be seen as a combination of different product-market entries. To be more precise, Ansoff (1965) explained 'policy' to be a contingent decision, whereas strategy is a rule for making decision (Ansoff, 1957; Ansoff, 1965). In fact, ambiguous definitions are present in literature (Galbraith, & Kazanjian, 1986).

Consequently, two schools of thoughts arose. One of them is the traditional management school with Chandler's (1962) well-accepted definition of strategy, which is today still used in management theory: Strategy is "the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals" (Chandler, 1962, p. 13).

As a second school of thought, von Neumann and Morgenstern (1947) implemented strategy into the theory of games in businesses. Game theory defines strategy as a player's plan of action for improving the desired payoff. The theoretical usage of the term strategy in game theory influenced and invigorated the research on strategy in business literature. Game-theoretic research focusing on business strategy developed in the 1980s and gained importance in the late 1980s (Ansoff, 1957; Chandler, 1962; Ansoff, 1965; Mintzberg, 1978; Galbraith, & Kazanjian, 1986; Shapiro, 1989; Teece, Pisano, & Shuen, 2000). In this work, we show examples for both, the traditional and the game theory school of thoughts.

Most strategy research adapts the traditional school of thought as the following analysis will show. The traditional management school of thought and the game theory have in common is that strategy is a "unifying viewpoint for all types of conflict situations, regardless of whether their origin is in war, politics, or business" (Ansoff, 1965, p. 118). This definition implies that mainly environmental changes or events inside a company lead to the implementation of a strategy and thus to a continual basis (Ansoff, 1965). This normative approach indicates that researchers

advise managers to formulate a strategy. The strategy is thereby influenced by the special environment. Case studies aimed to explain strategy are known as descriptive literature (Bourgeois III, 1980). We found both, normative as well as descriptive studies. An overview on the methods used since the 1950s is the basis for the next part. Beforehand, we show some more detailed definitions of the term strategy in order to underline the diversity of the research aim.

1.2 Strategy definition – a more detailed definition

According to Mintzberg (1987), a single definition of the term strategy cannot exist. Thus, he explained five definitions to be acceptable: Strategies are planned and intended in advance and developed purposefully and consciously, either as a general or a specific strategy. This first definition of strategy, namely strategy as a plan, is evident in military, game theory, or management. Additionally, a strategy can be a ploy (Mintzberg, 1987).

In addition to the plan and the ploy, the resulting behavior should also be considered as a pattern or realized strategy. Whether intended or not, strategy is consistency in behavior. A pattern might appear without a realized strategy. Thus, this definition is independent of the strategy as a plan. Moreover, intended strategy is not forced to be realized (Mintzberg, 1987).

The fourth possible definition of strategy is as a position. It means to locate a company in its external environment – either with respect to a single or a couple of competitors or to a niche strategy to avoid competition. The position is a central part of a strategy, as Mintzberg underlines. It can be aspired and preselected by a plan or ploy or found by a pattern of behavior (Mintzberg, 1987). Porter's (1980) influential concept of generic strategies is part of this fourth definition as we will show in part 1.6.

Finally, the organization itself gets into the focus, when strategy is defined as a perspective. The idea is to implant it into the heads of the managers and employees and thereby sharing the strategy between the people. This collective mind develops a concept and gives the organization a personality (Mintzberg, 1987).

Galbraith and Nathanson (1978) defined strategy in a more general way. In their opinion, strategy is "a specific action, usually but not always accompanied by the development of resources, to achieve an objective decided upon in strategic planning." (Galbraith, & Nathanson, 1978, p. 3).

Besides the different schools of thoughts with respect to the methods, a number of more differentiations evolved over time. Among them is Abell's (1980) categorization into four strategy research directions that we will shortly present in part 1.6. Afterwards, we will introduce the categorization of business and corporate strategy to distinct more recent strategy research.

1.3 Strategy literature – a systematic literature review

We followed a three-step process and conducted a literature review of strategy studies that covered monographs as well as peer-reviewed articles in English and German. Our approach was to find the most frequently cited and thus most influential works with the help of a structured approach (Webster, & Watson, 2002). In order to verify the frequency quoting, we used Google scholar as the most comprehensive research platform for literature reviews. Covering all journals rather than only excerpts, such as Science Direct, we employed Google Scholar for both, research and the analysis of frequency of quotes (see e.g. Harzing, 2013).

In a first step, we conducted a manual search in the references of university strategy books as well as literature reviews, as e.g. by Campbell, Stonehouse, and Houston (1999), Ghemawat (2002)¹, or Hill and Hernández-Requejo (2011). We repeated the search in the found literature until we came up with no new works. In a second step, we systematically searched in the online databases Science Direct, JSTOR, EBSCO, and the university library online network for studies published between 1950 and 2010 as well as, in a third step, in an unsystematic and random way on Google and Google scholar (Cooper, 1998). In steps two and three of our systematic literature

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¹ Please note that Campbell, Stonehouse, and Houston (1999), as well as Ghemawat (2002) are included in the systematic literature review whereas Hill and Hernández-Requejo (2011) are not. The former presented own works of which we use one figure in the following. In contrast, we did not include Hill and Hernández-Requejo (2011) in the systematic literature review, because they did not provide new insights on strategy research. That is also why we chose the latest version of 2011, and not the first edition that we mainly used for the systematic literature review.

review, we followed an inductive and deductive process. We started with the key words competitive advantage, business strategy, and corporate strategy. We added new key words during the literature review that we found in the analyzed literature. Finally, we ended up with nine key words: competitive advantage, business strategy, corporate strategy, strategy model, strategy concept, strategy framework, strategic management, generic strategy, and strategic planning.

With the help of seven exclusion rules, we scanned the abstracts of more than 150,000 works and netted with the first 463 studies that we analyzed in more detail. To be more precise, we excluded works due to the following reasons. (1) We excluded studies exclusively focusing on research methods in regards to strategy research (see e.g. Hambrick, 1980; Ginsberg, 1984; Harrigan, 1985). However, we included one exemplary work on methods, namely by Snow and Hambrick (1980). The study has a holistic and empirical approach and was cited more than 500 times. (2) We did the same for strategy formulation and only added Hofer and Schendel's (1978) work to the systematic literature review, both, to exemplify the trend and to show a study being cited more than 3,000 times. We excluded those studies that exclusively analyzed strategy formulation, implementation, and execution, as e.g. Thompson and Strickland (1986). A particular focus will lie on strategy formulation as well as strategy implementation in chapters 4 and 5 of this work. (3) Studies focusing exclusively on organizations without a clear strategic analysis were also excluded (see e.g. Lawrence, & Lorsch, 1986). (4) We further eliminated works on international management in general, as e.g. the analysis between strategies in different countries (see e.g. Fayerweather, 1969; Doz, 1980; Peng, 2002). However, we will discuss this aspect in the chapter on strategic management and global strategies, part 1.7.1. (5) Pure marketing studies were also eliminated (see e.g. Woodruff, 1997). We only included two works of the 21st century as they clearly hint to the whole enterprise's strategy instead of focalized marketing aspects. (6) We also excluded studies on globalization without a clear strategy approach (see e.g. Douglas, & Wind, 1987) and (7) studies solely addressing the question on how entering a market (see e.g. Hill, & Hernández-Requejo, 2011) without presenting an additional holistic model impact. We only included those works that centered strategy in a holistic way (see e.g. Ghemawat, 2007), meaning that the strategy described focused on all units of the company and not exclusively on one, such as marketing without a hint on its influence on other corporate units. However, those studies that investigated single industries are also sometimes called non-holistic in literature (Hofer, 1975). We will refer to this point in a later abstract. The studies that are not holistic in the way that they did not focus on all company parts are partly used to structure the strategy research development presented in the explanation of strategy research in the different centuries, but cannot be found in the systematic literature review. Those papers focusing on the same topic and published by the same authors were either combined in the overview (see e.g. Kaplan and Norton; Epstein, & Manzoni, 1992-1998, 2000 in the respective matrix) or not considered if another author just summarized the thoughts and did not add any additional insights. After conducting this step of a more detailed study analysis, we ended up with 253 studies.² In the final step, we excluded works that were cited less than 35 times on Google scholar.

Overall, we included 94 studies, comprising papers, articles, and books in our analysis. We chronologically summarized all relevant studies in a separate table for each century. Each table or matrix is organized in seven columns: The first columns depict the year of publication ("year"), followed by the author's or authors' name(s) ("author") in the second columns. In the next two columns, namely columns three and four, we summarized the works' content ("content") and defined the methods employed ("method, measurement").

In the fifth column, we added one of 22 classifications of strategy research ("classification") to finally structure the works. We will explain this classification procedure in more detail in the next part, namely part 1.3.1. The sixth column of each table specifies where the work was published ("published in"). For instance, if published in a book (including dissertations), we noted it in that column. If a study was published in a journal, we cited an abbreviation of the journal. Appendix A shows these abbreviations and the journal names in detail. The sevenths columns give information on the frequency quoting ("frequency of quotes") on Google scholar.

though not into the systematic literature review.

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² Please note that some works that were not included into the systematic literature review helped us to show the different strategy research directions. Thus we included them into the literature summaries,

After the completion of all columns in the matrices by the primary coder, 20 percent of the works, namely 19 studies, were randomized chosen for double-check analysis for both aspects, the method and the classifications. The primary coder explained the procedure of categorizing the three methods and the 22 classifications to the second coder who then completed an independent code of the 19 studies.³

We used Cohen's Kappa as a coefficient of agreement that involves the observed proportion of agreement corrected for proportion of agreement expected by chance (Cohen, 1960, 1968). The analysis resulted in a kappa interrater agreement of $\kappa = 0.92$ with one difference in a chosen method. Literature shows that kappas exceeding 0.75 confirm an excellent and thus acceptable consistency (Frick, & Semmel, 1978; Fleiss, 2003). Thus, the methods of the studies are well coded. The authors conversed about the study that they did not code the same way.

Regarding the classification, we gained $\kappa = 0.88$ and thus an equally good result with two different classifications in total. The authors again discussed the different results. To name an example, the second coder claimed one study to be too detailed to classify it into one of the 22 classification and showed that besides *globalization/internationalization* aspects, *generic strategies* were equally focused at. However, both authors finally agreed upon the classification. For a better overview on the systematic literature review, the next two abstracts give a more detailed insight into both, the methods and the classification of the studies.

1.3.0 Used research methods in the analyzed literature

The fourth columns of our systematic literature review show the method or measurement of the different studies. We divided the works into three categories, namely (1) empirical work, including case study works, (2) model development, including mathematical models, and (3) theoretical treatise, including studies with short case examples. In case an empirical work concluded with a model, the study was counted as a model (see e.g. Schendel, & Patton; 1978, Abell, 1980; Porter, 1980). Figure 1.1 shows the methods used in the 94 studies published between 1950 and 2010.

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³ The author greatly appreciates the help of Jun.-Prof. Dr. C. Schlägel.

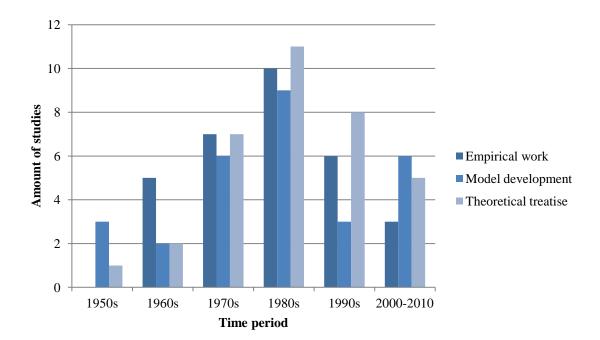


Figure 1.1: Used research methods in the analyzed literature.

Hatten, Schendel, and Cooper (1978) exemplified that most early works were mainly descriptive or conceptual without focusing on a strategy construct. Until the 1980s, no commonly accepted measurement approach could be found in literature (Hambrick, 1980). Most researchers used different scopes for defining strategy in their research, as the introductory part on the strategy definition explained. The attempt of this work is to guide the theory into a new concept that structures the existing works and combines new approaches (Ansoff, 1957; Chandler, 1962; Ansoff, 1965; Mintzberg, 1978; Rumelt, 1979).

Comparing literature, one can say that in general, theoretical treatises, empirical work, and models developed similarly over the centuries. The amount of studies increased until the 1980s and decreased afterwards. The tables in each chapter show the included studies in the systematic literature review. We ordered the tables chronologically to show the important outcomes over time. Following the matrices, a short overview on the most influential theories of the 1980s and 1990s is given. In doing so, we followed Foss' (1996) idea of balanced pluralism, meaning that some theoretical alternatives of strategy research will be presented in more detail, without having the aim to be all-integrating. However, the analysis will not strictly follow the chronological order of the table. The analysis is rather intended to logically link

the different theories and to identify the most important strategy aspects of the 21st century.

Since the 1950s, we found 31 empirical works, 29 models, and 34 theoretical treatises that we included into our method analysis. Since the aim of this work is to summarize the most influential works on strategy research since the 1950s, we aim to develop a new strategy concept for the globalized market that fits to all companies. Therefore, in the next sections, we will present the most intriguing works of the different centuries. In a first step, we outline developments of the 1950s, 1960s, and 1970s. Beforehand, we introduce the 22 classifications that we present in more detail in the following.

1.3.1 Used classifications in the analyzed literature

In the fifth columns of our systematic literature review, we grouped the different works into one of 22 classifications. To make it clear, it was not easy to identify classifications to structure the works. The double-checking for robustness with Cohen's Kappa, exemplified above, helped us to verify the classification. We mainly used the key words, abstracts, and headlines of the studies to classify them. Some works included more than one of the key words and could thus belong to more than one classification. Especially the key word 'planning' occurred in the majority of studies. To give an example: Knight (2000) focused on marketing, but his key words also include globalization. However, we grouped the works in that classification that the focus lays on when looking at the whole study. In Knight's (2000) study, the title encompasses marketing, but not globalization, and the study mainly focuses on marketing aspects. To make it clear, the classifications are meant as a tool to structure strategy research over the years. For a new concept, it is however not of special importance whether a study could be classified in more than one classification.

Some classifications are narrow by definition and have only one or several key words, whereas others have several key words, as e.g. corporate strategy. Table 1.1 gives a short alphabetical overview on the 22 classifications and their definitions. Focusing on the different centuries, we summarize the results in Figure 1.2.

Table 1.1: Used classifications in the analyzed literature.

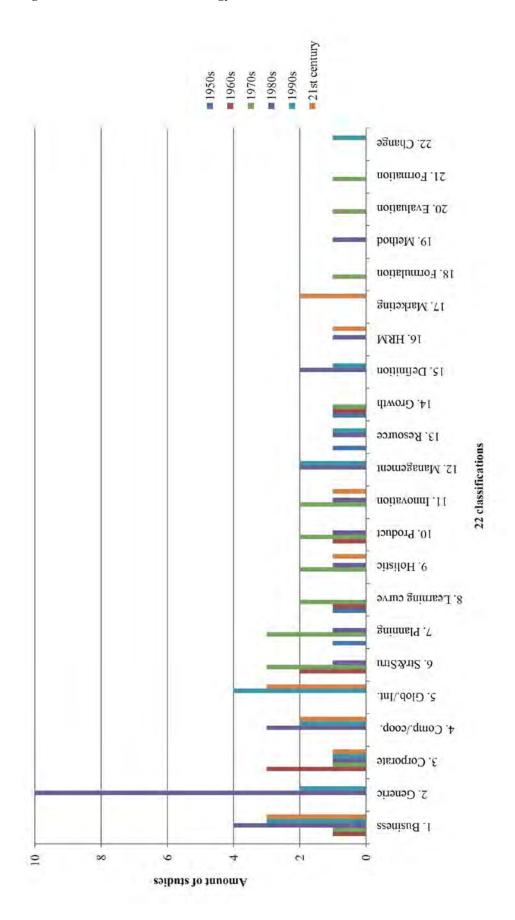
Classification	Used key words (besides strategy)
(1) Business strategy	Business strategy, business policy, business performance, organizational performance
(2) Competitive/cooperative behavior	Competition, competitive advantage
(3) Corporate strategy	Corporate strategy, corporate structure, organizational structure, corporate planning, business planning, balanced scorecard, performance evaluation
(4) Generic strategies	Generic strategy, generic strategies, generic business strategy
(5) Globalization/internationalization and strategy	Globalization, economic aspects, multinationals, international, internationalization, diversified companies, international competition
(6) Growth	Growth, diversification, Mergers and Acquisitions
(7) Holistic model	Model, concept [mainly accompanied by a drawing]
(8) Innovation	Innovation, process change, value creation, value innovation
(9) Learning curve	Learning curve, experience curve
(10) Marketing	Marketing
(11) Product strategy	Product strategy, product life cycle, product policy, product development, product management
(12) Resource-based view	Resource-based, resource allocation
(13) Strategic change	Strategic change

Classification	Used key words (besides strategy)				
(14) Strategic HRM	Personnel management, human resources, human resources management				
(15) Strategic management	Management, international management, strategic management				
(16) Strategic planning	Planning, strategic planning				
(17) Strategy and structure	Strategy and structure, structure follows strategy, organizational structure				
(19) Strategy evaluation	Strategy evaluation				
(20) Strategy formation	Strategy formation				
(21) Strategy formulation	Strategy formulation				
(22) Strategy research method	Measuring strategies, strategy research method				
Please note that [] includes additional information and notes but no used key words.					

In the following analysis, we present those classifications that were used most frequently across the centuries in separate chapters in chronological order. Other studies are included in the different centuries, though not always in a special chapter. Figure 1.2 shows the outcomes, organized by frequency of study focusing on each topic.

Among the most often used classifications are *business strategy* (12 times in sum) as well as *corporate strategy* (7 times in sum), which we will discuss in more detail in part 1.6.2. We will explain it in the context of the 1980s, because until then, enough studies emerged that help us to explain the concepts of business strategy and corporate strategy.

Figure 1.2: Classifications of strategy literature.



Additionally, we show some works that represent the new developments of one century. Among them is the theory on *strategy and structure* by Chandler (1962) that coined the 1960s and 1970s. We included six studies in our systematic literature review and give an insight into the developments in a separate parte, namely part 1.4.1. Moreover, we explain the *learning curve* in the chapter on the 1950s and 1960s. We have four studies that focus on this classification. In this regards, we add some insight on *innovation* which is present in four studies. Five studies focus on *strategic planning*. The main insights are presented in the 1970s in a separate part.

The *generic strategies*, newly developed in the 1980s, were present in 12 studies. As the generic strategy theory somehow dominates the 1980s, we will shortly discuss it in the chapter with works of Hall (1980) and Porter (1980), completed with others. We also give a short insight in the *resource-based perspective* in strategy research, whereof we included three studies into our systematic literature review. *Globalization/internationalization* in regards to strategy research mainly evolved in the 1990s, as Figure 1.2 visualizes. Seven studies deal with this aspect and will be shortly exemplified in part 1.7 on global strategies.

Of the four holistic models, we concentrate on Miles and Snow's (1978) work (also published as Miles et al., 1978) as well as Abell's (1980) study in two separate sections, namely 1.6.0 and 1.6.5. Overall, we included four holistic models in our systematic literature review. We present the product strategy model of the 1980s in a separate part. Our systematic literature review comprises four product strategy studies of which we outline one in more detail. The works of Levitt (1965) and Wasson (1978) on the product life cycle are shortly mentioned in part 1.4.0. We also found four studies on *strategic management* and will come to them in the part on the 1990s, namely part 1.7. For the 1990s, we further summarize the Balanced Scorecard of the 1990s, a corporate strategy model, as well as the Coopetition theory that focuses on competitive and cooperative behavior. Other works on this classification, present seven times in our systematic literature review, are interwoven in the different century overviews, one is Stalk Jr. (1988) that we mentioned in the time-based competition part. Marketing is shortly presented in the chapter on the 21st century strategy research, namely part 1.8, with overall two studies. We further show Kim and Mauborgne's (2004 a, b) blue ocean strategy as a model centering *innovation*. All in all, we included four studies on innovation.

Three studies of *growth* are present in the systematic literature review and we give some insights in this topic in the chapter on environmental and competitive surroundings, part 1.4.2. Those classifications that only included one example as e.g. *strategy formulation* and *strategy research method*, were combined with one study on *strategy definition* (included with three studies in total) in the section outlining the time horizon. As the classifications *strategy evaluation* and *strategy formation* were present only once, we cited Rumelt (1979) and Mintzberg (1978), respectively, where useful. For the classification *strategic change*, we found one study, and for *HRM*, we found two studies that we shortly mention in the part on the value chain, part 1.6.8.

1.4 Strategy research in the 1950s and 1960s

Until the late 1950s, only few extensive and holistic concepts of strategy existed. Most of the research focused on economic efficiency in specific industries, in unique companies or in special situations (Hofer, 1975). Although management and business theory were present subjects in university and practice, no widely accepted business model with respect to functional strategies was known in the late 1950s. Instead, the need for improvements in management was already identified. However, no common research direction was agreed upon. In the 1950s and 1960s, most managers and researchers had their own philosophies, depending on their individual or geographical situation. One exception of the confusing research was a planning tool called the learning curve (Andress, 1954) which became more and more applied in some industries. Since it has been a widely accepted post war model and it is still taught in universities' business classes (Koontz, 1958; Lebreton, 1958; Jones, 1960; Ghemawat, 2002; Hill, & Hernández-Requejo, 2011), we chose the learning curve and its outcomes as an example.

For the 1950s and 1960s, we considered four and nine studies in our research. Table 1.2 exemplifies the research of our systematic literature review. In those days, the methodological approach was not always clear. For instance, authors referred to personal experiences or short case studies, including mathematical models (e.g. Andress, 1954). Pettigrew (1992) regarded case studies as an effective method, as

this method enables the researcher to discover holistic explanations between cases and further evenly within them. Among the studies, a new method evolved, namely multivariate statistical analyses of econometrics (Rumelt, Schendel, & Teece, 1991). Rumelt, Schendel, and Teece (1991) explained a rise of basic concepts to strategy in the 1960s, what we can confirm. In fact, we included five models in our strategy matrices of the 1950s and 1960s. According to Shapiro (1989), the 1950s and 1960s were shaped by empirical research in the field of industrial organization. However, compared to the following years, relatively few empirical works emerged (see e.g. Hofer, 1975), namely five in the 1960s. In conclusion, most studies of the 1950s and 1960s were piecemeal and focused on single aspects of strategy. Kitching (1967) is one of the few to analyze in broader studies.

Table 1.2: Strategy research in the 1950s.

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1954	Andress	Theoretical work and case studies on the learning curve, mathematical model	Model development	Learning curve	HBR	191
1957	Ansoff	Strategies for diversification; Forecasting methods	Model development	Growth	HBR	1,101
1958	Koontz	Principles of planning and control; planning, organizing, staffing, directing, controlling	Theoretical treatise	Strategic planning	AMJ	35
1959	Penrose	The resource-based perspective (competitive advantage)	Model development	Resource- based view	book	> 18,000

Until the late 1950s, only few extensive concepts of strategy were developed. Most works focused on economic efficiency in separate industries or unique companies and did not follow a holistic aim⁴ (Hofer, 1975).

Overall, our systematic literature review comprises four studies of the 1950s. Three of the papers develop a model, whereas one is a theoretical treatise. All four studies can be categorized into one specific classification. This fact underlines literature's impression that no common way in strategy research was found in those days.

In the 1960s, we found nine influential studies that pertain to six distinct classifications. The first empirical studies arose in the 1960s, of which we included five in our analysis. Furthermore, we chose two models and two theoretical treatises for analysis. Table 1.3 shows the works considered.

Table 1.3: Strategy research in the 1960s.

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1962	Chandler	Comparative analysis of 50 US- American companies on strategy and structure, case studies, structure follows strategy	Empirical work	Strategy and structure	book	> 13,000
1963	Tilles	Guideline to evaluate corporate strategy	Theoretical treatise	Corporate strategy	HBR	190

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⁴ As explained above, holistic means either focusing on the whole company instead of parts or on single industries or companies rather than on a group of different ones. We excluded works that exclusively focused on business units but included those that gave an insight into different companies or industries.

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1965	Ansoff	Analytical approach for corporate strategy, growth vector components	Model development	Corporate strategy	book	> 7,000
1965	Hirschmann	Historical development of the learning curve, applicability	Model development	Learning curve	HBR	308
1965	Learned, Christensen, Andrews, & Guth	Business administration, business policy, corporate strategy (environment, strategists, social responsibilities, structure, organizational processes, leadership), case studies	Empirical work	Corporate strategy	book	858
1965	Levitt	Product life cycle (branding policy, sellers, external communication)	Theoretical treatise	Product strategy	HBR	891
1967	Ansoff, & Stewart	Strategies for a technology-based business; R&D, flexibility in organization structure, planning and control, short case studies	Empirical work	Business strategy	HBR	465

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1967	Kitching	Development of mergers and acquisitions; Field research: interviews (qualitative assessment, financial results compared to forecasts)	Empirical work	Growth	HBR	598
1968	Fouraker, & Stopford	Analysis of existing studies on organizational structure and multinational strategy	empirical work	Strategy and structure	ASQ	198

1.4.0 The learning curve and the experience curve

Scarce resources during World War II forced people to reallocate inputs in economies. These organizational challenges brought out new ways of strategic thinking. It led to contradictory directions compared to research on management theories in the 1950s. Operations research techniques more and more influenced management science; among them were linear programming or modernized and integrated quantitative analysis.

In 1954, the concept of the learning curve was presented by Andress (1954). Andress (1954) based his ideas on a concept that the aircraft industry experienced during World War II, the so called learning curve. The learning-curve helped to more efficiently forecast labor input, make-or-buy, or financial decisions (Andress, 1954; Abernathy, & Wayne, 1974). Over the years, the learning curve appeared in many studies. In sum, we included four studies of this concept into our research and categorized them with the classification *learning curve*.

To be more precise, in the 1920s and 1930s it was found that direct labor input per produced plane and thus labor costs in the military aircraft industry constantly declined. At the same time, the cumulative number of airplanes built grew. The workers learned and hence improved over time. Managers found out that the reduction of labor needed could be predicted and thus applied the learning curve as a management concept in the aircraft and some other industries. However, the levels of input reverted back to the time needed for each other type in the beginning. The phenomenon can thus not be defined as just rising productivity (Andress, 1954; Hirschmann, 1964; Wasson, 1978; Yelle, 1979; Ghemawat, 2002).

Though Andress (1954) stressed the learning curve concept not to be a scientific tool, Hirschmann (1964) resurveyed the concept ten years later and implemented some refinements. He widened its usage to more industries, contract negotiations, and scheduling of production and explained it to fit to individual as well as group performance. Finally, Hirschmann (1964) approved Andress' (1954) assumption that the learning curve concept can be used as a tool for managers for most industries.

In the 1960s and 1970s, many researchers referred to the learning curve. Practitioners, as e.g. consulting firms, used the concept and its outcomes. Other terms and concepts occurred that are all basically the same: The cost curve, efficiency curve, experience curve, improvement curve, production acceleration curve, cost-quantity relationship, performance curve, and manufacturing progress function display that were mostly used as synonyms for the learning curve. All these curves are important for companies' competitive strategies (Andress, 1954; Hirschmann, 1964; Abernathy, & Wayne, 1974; Wasson, 1978; Rumelt, Schendel, & Teece, 1991).

Simultaneously, critics raised their concerns by arguing that changes in the design of processes and products are not considered by the curve. By contrast, Abernathy and Wayne (1974) declared that the well-accepted, simple yet powerful concept of the learning curve is the basis for successful production and marketing strategies in many companies of the 1970s. The decline in costs can systematically be predicted when the output volume doubles. Thus, cost advantages over competitors can be experienced. Nevertheless, Abernathy and Wayne (1974) pinpointed the fact that

using the learning curve might result in too little innovative changes or reduced flexibility (Abernathy, & Wayne, 1974).

As examples of further developments of the learning curve, we hint to other strategy simplification concepts. For instance, a multitude of portfolio analysis concepts as well as growth matrices that mainly concentrate on marketing. However, in the 1970s, the constructs were criticized for oversimplifying businesses and being too short-minded (Haspeslagh, 1982; Ghemawat, 2002).

The portfolio analyses are sometimes related to the product life cycle theory, another marketing-based concept, which also belongs to the specific functional strategies. The product life cycle theory developed somehow independently to the learning curve concept in the late 1960s. Hofer (1975) and Abell (1980) understood the product life cycle theory as the best elaborated theory that centers market evolution. This theory is based on the assumption that the stage of a product has to be considered in strategic decision making (Levitt, 1965; Vernon, 1966; Hofer, 1975; Wasson, 1978; Silverman, 1984; Rumelt, 1979).

According to Wasson (1978), product life cycles are the basis for a competitive strategy. He stated that each product or idea that enters a market, though dependent on an effective introductory strategy, passes through basically the same cycles by being built-up, accepted, and finally declining to death. The basic idea of product life cycles goes back to Levitt (1965) who based the product life cycle on four stages. Wasson (1978) widened the product life cycle to eight possible stages (Levitt, 1965; Wasson, 1978).

Abernathy and Utterback (1975) further developed the model of life cycle theories by presenting a frame model that understands product innovation as a strategic issue. That is why the product life cycle pertains to the *innovation* classification. According to Abernathy and Utterback (1975), different characteristics influence a company, namely technology or environmental and internal factors. That is why several researchers asked for further research on these aspects (Abernathy, & Utterback, 1975; Rumelt, 1979). Abell (1980) further criticized that dynamic aspects of business definitions are not incorporated into life cycle theory. Moreover, only systematic changes are focused, whereas non-systematic changes are rarely considered. Abell (1980) further clarified additional important factors to be

considered for defining a business and the market boundaries a company is acting within (Day, & Shocker, 1976; Abell, 1980).

In concluding the above mentioned studies, it becomes evident that researchers requested special interest in the aspects product and product innovation, production, and marketing. At the same time, critics asked for innovative changes and flexibility in strategy.

1.4.1 Strategy and structure

Before the early 1960s, few theoretical studies had been conducted in a holistic way. Chandler (1962) was among the first to break with this piecemeal work on unique characteristics and special situations. His influential descriptive work was cited more than 13,000 times and comprises a comparative analysis to reveal the different histories of companies in the USA (Hofer, 1975; Lawrence, & Lorsch, 1986).

Chandler's (1962) 'strategy and structure' is one of the first widely accepted works in the field of business administration and management theory. It is often cited as a landmark study and the beginning of contingency theory. Galbraith (1973), and Galbraith and Kazanjian (1986) showed that contingency theory implies the fact that different, not equally effective, ways of organization exist. However, it is challenging to find the best way. Chandler's (1962) understanding of strategy was that it "can be defined as the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals" (Chandler, 1962, p. 13). It should be noted here that Chandler (1962) did not distinct between the formulation of strategy and the strategy itself (Fouraker, & Stopford, 1968; Pitts, 1976; Hofer, & Schendel, 1978; Mintzberg, 1978). The term 'structure' is defined as the way how a company can be administered (Chandler, 1962; Galbraith, & Nathanson, 1978).

Following Chandler's (1962) findings for the USA, some pioneering researchers tested Chandler's thesis that structure follows strategy in European countries in the post war period (Thanheiser, 1972; Dyas, 1972; Channon, 1973; Pavan, 1976). We categorized the works that follow this idea with *strategy and structure* in our systematic literature review.

Channon (1973), Thanheiser (1972), Dyas ⁵ (1972), as well as Pavan (1976) provided similar findings for Great Britain, Germany, France, and Italy. Although these countries experienced differing historical industry developments, the authors all concluded the following: The developed countries of the 1970s experienced an all changing economic revolution. New ways of production and technological change led to an increase of produced goods and their varieties. Economies of scale, human organization and an increase of capital go ahead with an enlarged output per worker. Large industrial firms typically widened the market by simultaneously operating in a number of business areas: Diversification was a trend that all authors confirmed meaning that new products are developed. Furthermore, the authors all affirmed that structure follows strategy. This indicates that if a company changes its strategy due to changing opportunities and needs, caused by e.g. income, population or technology changes, the resulting new administrative challenges have to be adapted. Consequently, structure follows strategy. Moreover, changes in trends can be experienced, namely towards diversification (Chandler, 1962; Dyas, 1972; Thanheiser, 1972; Channon, 1973; Pitts, 1977; Galbraith, & Nathanson, 1978; Galbraith, & Kazanjian, 1986). Galbraith and Nathanson (1978) further explained that once having chosen a strategy, many structures are possible. Yet not all are equally effective.

Differing objectives and roles influence strategy as all authors recapitulated. These are environmental factors and other internal factors, such as firm size, international trade balance, ownership structure, relative transferability of skills, as well as market growth rates. Additionally, cultural differences alter the firms (Dyas, 1972; Thanheiser, 1972; Channon, 1973).

Although Chandler (1962) and his followers already implemented some global competition into their ideas, Fouraker and Stopford (1968) criticized the approach to be far neglected in research. Rebuilding the countries from wartime destruction, excess demand made international competition nearly irrelevant. In the 1960s, a changing competitive situation obliged the firms to restructure their businesses by implementing an international perspective (Fouraker, & Stopford, 1968; Ghemawat, 2002).

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⁵ Please note: Dyas (1972) is not included in the systematic literature review due to the limited number of citations.

Learned et al. (1965) came also to the conclusion that structure follows strategy for becoming a competitive company. They regarded their treatise on corporate strategy and business policy not as a precise model or theory but as an informing idea. We classified their work as a corporate strategy study. However, Learned et al. (1965) specified that it is the general manager's or chief executive's responsibility to choose, define, and mould an organization by mobilizing resources for becoming competitive. For the authors, strategy is a unifying element and a basic concept of each organization which they saw as an organic entity that is related to its environment.

Waterman Jr., Peters, and Phillips (1980) refined the theory on strategy and structure with their new view of an organization. They developed the 7-s framework, including five variables beside strategy and structure, namely skills, staff, systems, style, and superordinate goals. All seven aspects are interwoven.

Overall, we can summarize from Chandler's (1962) and his followers that the following aspects are important for a strategy analysis: The structure of a company, its products and product varieties, its financial situation, and its employees, including skills and staff. Besides, an overall goal helps the organization to guides the organization. However, Chandler (1962) had a vague believe of strategy to be a mediator between an organization and its environment. Vague, because Chandler (1962) neither evaluated nor formulated a clear strategy (Rumelt, 1979). Thus, we will explain the environmental and competitive component of strategy research until the 1980s in the following.

1.4.2 Environmental and competitive surroundings

The environment was either ignored in theory or held constant until the 1960s. Chandler (1962) for example defined strategy as a mediator between an organizational structure and the environment though not explicitly focusing on the latter (Chandler, 1962; Rumelt, 1979). Only unconscious environmental differences had been implemented into research and theory until those days. In economics, companies were understood as monolithic entities lead by a single entrepreneur. However, contingency models of the sixties revolutionized the universalistic models. Linkages between technology, environment, structure, and processes were portrayed and externally added. Neocontingency theorists further developed the

ideas and viewed strategy as the primary link between a company and the environment, whereas the environment can be created, managed, and learned about (Miles, & Snow, 1978). Ansoff's (1957, 1965) works possibly belong to the first that spotlight exclusively and explicitly the development of strategy and its concept by focusing on the environment and competition (Hofer, & Schendel, 1978; Abell, 1980).

In his research, Ansoff (1957, 1965) focused on normative theories and models and developed an influential and relatively detailed procedure on diversification. The aim of the concept was to help managers to analyze economic dimensions of a company's strategy formulation and evaluation process. In contrast to Chandler's (1962) definition of diversification, Ansoff (1957, 1965) understood the term as a simultaneous implementation of new products to new markets (Ansoff, 1957; Ansoff, 1965; Wrigley, 1970; Hofer, 1975; Rumelt, 1979; Ghemawat, 2002). We included both works in our systematic literature review, namely Ansoff (1957) in the classification *growth* and Ansoff (1965) in the classification *corporate strategy*.

In more detail, Ansoff's (1957) work on strategy and growth focused on the interdependencies of an organization's environment as well as the business and assumes intra-industry strategy. The idea of the concept was to evaluate products that should be introduced. The aim was to make them fitting to the company's strategic focus and environment. Ansoff introduced four complementary characteristics, namely (1) the product-market-scope of research, (2) the direction within the scope or growth vector, (3) opportunities with respect to the competitive advantage (such as barriers to entry) and (4) synergy. Ansoff (1957) called these four characteristics 'components of strategy' and found out that they can either be chosen all or in parts. More precisely, the first component, product-market scope, specifies the industries or subindustries the company acts in to enable the companies to analyze statistical and economic market data. It also describes the scope of search. The second characteristic, the vector components, describes the directions within this scope. The matrix elaborated by Ansoff (1957, 1965) for this second specification shows four categories of this business concept with growth vector components to be explained in the following. The third component refers to an isolation of characteristics of opportunities that have been detected and analyzes the product-market scope and the growth vector that further lead to the identification of

a competitive advantage. It thus describes the types of individual entries. Managers should identify "particular properties of individual product-markets" (Ansoff, 1965, p. 110) to seek a competitive position. The fourth component, synergy, can describe a company's strategy. It measures a company's ability to succeed in a new product-market entry. Rumelt (1979) understood this fourth characteristic as the heart of Ansoff's (1965) concept. Being related to the strengths and weaknesses of a company, it becomes "a measure of the degree to which a corporate resource is capable of being an advantage in the new area" (Rumelt, 1979, p. 204) (Ansoff, 1965; Ansoff, & Stewart, 1967; Hofer, 1975; Rumelt, 1979; Ghemawat, 2002).

Ansoff's (1957, 1965) works can be interpreted as a translation of the well-known SWOT framework, because questions are provided to be answered for developing a strategy. However, Rumelt (1979) criticized that though Ansoff's (1957, 1965) approach represents a wide context frame model, an evaluation of a strategy cannot take place with its help, as no explicit tactical theory is included (Rumelt, 1979; Ghemawat, 2002).

What we can precise here is that Ansoff's (1957, 1965) approach was a first step to environmental influences. Further works on *growth* that we included into our systematic literature review are Kitching (1967) and Pitts (1977). Both researchers emphasize the importance of implementing a company and its relationships to externalities as well as its competitive position to analyze strategies. With respect to environmental issues, Day and Shocker (1976) prognosticated a growing influence of trends by governments, social, and legal patterns.

1.5 Strategy research in the 1970s

From the 1960s and 1970s on, an increasing number of practitioners and researchers recognized the importance of strategic planning in management and contemplated on a general framework to define a firm's strategy. Due to this development, research on strategy as an overarching business tool was initiated. This research was empirically based in general but did provide some theory-based insights (Abell, 1980; Galbraith, & Schendel, 1983). The growing instability of the business environment and the hostility of the social and the political development in the late

1960s and early 1970s are similarly likely to have triggered the businesses' need for more universal guidelines and a strategic framework that covered large areas of management decision-making (Rumelt, Schendel, & Teece, 1991). With the growing social unrest, the exploding resource costs, the mounting inflation, the increased unionization, and the on-going redefinition of political agendas, the uncertainty amplified to an extent that required businesses to introduce a general plan of action for any possible state of the world. Such a general plan of action implied a strategy that reduces the exposure to risk and takes advantage of unexpected events, whenever possible. Consequently, long-term planning became the main theme of strategic concepts that increasingly focused the creation of value (Hayes, & Abernathy, 1980; Coyne, & Subramaniam, 1996). This might be the reason why business strategy research in general, but also in particular, grew over the years. Whereas we can identify one study in the 1960s and one in the 1970s, four works were published on business strategy in the 1980s, three in the 1990s, and three in the 21st century. We will come to a clear definition of the term business strategy in part 1.6.2.

Based on these fundamental ideas of the 1960s, from the 1970s on, more practical research arose (Rumelt, Schendel, & Teece, 1991). Chandler (1977) declared the end of Smith's era and explained professional managers to have a visible hand. Consequently, strategy became increasingly important in practice and research, which was reflected in the increase of studies on strategy in those days. Hambrick (1980) noted that the methodological approaches of the 1970s were still piecemeal works, as they mainly centered a particular functional area, such as in marketing, or a single key variable. We chose 20 works for further analysis and can confirm Rumelt, Schendel, and Teece's (1991) viewed that empirical work grew in the 1970s. We thus chose seven empirical works to be important. However, empirical research was often not consistent in measurement and/or results though relationships between strategy and different moderating variables have been steadily focused on since the 1950s (Schendel, & Patton, 1978; Hambrick, 1980; Ginsberg, 1984).

Moreover, we found some influential theoretical treatises that we included into our analysis, namely seven works. Besides, we included six models into our research. The 20 studies cover 12 of the 22 classifications which underlines that strategy

research became increasingly present and eclectic in research of the 1970s. Table 1.4 visualizes our results.

Table 1.4: Strategy research in the 1970s.

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1971	Michael	Life cycle theory, product petrification, case histories	Theoretical treatise	Product strategy	CMR	37
1972	Thanheiser	Historical development of German Industrial companies, comparative analysis of the 100 largest German industrial companies 1950- 1970, follows Chandler's (1962) work	Empirical work	Strategy and structure	book	64
1973	Channon	Historical development of British companies, comparative analysis of the largest British companies 1950- 1970; manager interviews, follows Chandler's (1962) work	Empirical work	Strategy and structure	book	611

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1973	Mintzberg	Three modes of strategy making (entrepreneurial mode, adaptive mode, planning mode)	Theoretical treatise	Strategic planning	CMR	1.348
1974	Abernathy, & Wayne	Case studies on the limits of the learning curve	Empirical work	Learning curve	HBR	518
1974	McCaskey	Planning with/without goals; planning processes determined by environment, people, organisational conditions	Theoretical treatise	Strategic planning	AMJ	83
1974	Schoeffler, Buzzell, & Heany	Impact of strategic planning on profit performance (ROI, market share, product/service quality, marketing expenditures, R&D expenditures, investment intensity, corporate diversity), PIMS study in 2 phases	Empirical work	Strategic planning	HBR/book	618

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1975	Abernathy, & Townsend	Descriptive model for relationships between technological innovation and productivity improvement; process change	Model development	Innovation	TFSC	186
1975	Abernathy, & Utterback	Innovation with the help of a function of development of production technology, organizational structure, market relationships, competitive strategy	Model development	Innovation	book	2,634
1975	Hofer	Contingency theory of business strategy (product life cycle, product differentiation and following strategic steps), classifying variables in a conceptual framework	Theoretical treatise	Business strategy	AMJ	783

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1976	Pavan	Historical development of Italian companies' strategy and structure, comparative analysis of the largest Italian manufacturing companies 1950- 1970; manager interviews, follows Chandler's (1962) work	Empirical work	Strategy and structure	JEB	38
1977	Pitts	Strategies and structures for diversification, analysis of public sources of 21 large companies in the US; field research: interviews of executives	Empirical work	Growth	AMJ	133
1978	Hatten, Schendel, & Cooper	Purpose, strategy (manufacturing strategy [plants], financial strategy, market strategy [brands, price, distribution, marketing, market share, size] and environment a brewing enterprise operates in	Model development	Holistic model	AMJ	329

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1978	Hofer, & Schendel	Definition and explanation of strategy and its central role, description of analytical concepts, models, techniques; how strategies should be formulated, short case studies	Model development	Strategy formulation	book	3,312
1978	Miles, & Snow (in AMR: Miles, Snow, Meyer, & Coleman)	Implementation of new strategy concept with culture types categorisation (defenders, prospectors, analysers, reactors), each defining one strategy with a set of technology, structure, process and environment reaction	Model development	Holistic	book, AMR	8,580

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1978	Mintzberg	Patterns in strategy formation, strategy formation (1) as interplay between dynamic environment and bureaucratic momentum, leadership mediating, (2) over time follows patterns in organizations (e.g. life cycles), (3) interplay between intended and realised strategies, case studies	Empirical Work	Strategy formation	MNSC	3,178
1978	Schendel, & Patton	Simultaneous equation model of corporate strategy, combination of the qualitative nature of corporate strategy and mathematical model building with the help of management science	Model development	Corporate strategy	MNSC	204

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1978	Wasson	Dynamic competitive strategy and the product life cycle	Theoretical treatise	Product strategy	book	178
1979	Rumelt	Examination of analytical approaches, conclusion that objectives and policies restructure to find solvable subproblems, evaluating strategy	Theoretical treatise	Strategy evaluation	Chapter in book	148
1979	Yelle	Comprehensive survey on the learning curve	Theoretical treatise	Learning curve	DS	1,162

1.5.0 First studies on strategy and planning

Whereas Mintzberg's (1973) study of 1973 belongs to the classification of *strategic planning*, his work of 1978 pertains *strategy formation*. He simplified the definition of strategy and stated that a strategy is not more than a plan. In this context, strategy pursues an intention and should thus be consciously formulated for guiding a business or gradually be integrated (Mintzberg, 1978). In general, planning defines a company's future actions. In regards to strategy, it is the manager's task to select objectives and to relate them to the company for evaluating alternative options. A planner has to take into account the company's strengths and weaknesses, but also potential environmental influences. Especially external effects complicate planning processes: Forecasting changes outside a company is often difficult, and planners need an enormous amount of information. With respect to the process of planning, some managers thus perceive the formulation of hypotheses concerning the different aspects of a company and its environment as important.

McCaskey (1974) tried to specify the art of planning and hypothesized that two types of planning exist: Planning with specific goals means operating goal-directed. Directional planning depends more on the decision maker's personality. Depending on the business surroundings, such as the environment, organizational conditions, and the people that are involved, strengths and weaknesses for each type of planning can be named. The processes are not exclusive, because they involve similar basic steps of diagnosis and determination of action, prioritizing, and finally the development of an evaluation method (McCaskey, 1974).

Abell (1980) explained that especially when changes occur, as with respect to existing, new or deleted product lines or structural changes of processes, business definitions are put into question. Arnoff (1976) suggested mathematical model usage for developing plans. Furthermore, Chakraborty and David (1979) proposed to use management science techniques, as computerized systems and quantitative models, to structure an adequate plan. We neglect these models in our study, and conclude that planning is an essential and central management function for guiding a company efficiently. In fact, strategy defined as planning is a manager-oriented concept and thus relatively subjective. Managers have to make sure that their plans are flexible enough to react to possible changes. In this respect, Hofer (1975) criticized that only studies focus on behavioral dimensions. Researchers more centered informational and analytical aspects of planning processes. Expectations of future events have to be anticipated for running a business, whereas concrete suggestions are hardly available in literature. Although a number of well-accepted books in the field of planning exists, these works often concentrate on too abstract and too simple models. These models only focus on the planning process and are rarely used in practice. Consequently, managers tend to avoid planning, as it is a complex task whose results are seen in far future. Mintzberg (1973) added critically that planning is sometimes seen as a panacea for problems occurring in the field of strategy formulation (Mintzberg, 1973; McCaskey, 1974; Hofer, 1975; Arnoff, 1976; Naylor, 1976; Chakraborty, & David, 1979; Garvin, 1979; Sawyer, 1979; Abell, 1980; Kastens, 1980). Schoeffler, Buzzell, and Heany (1974) revealed the impact of strategic planning on profit performance, meaning product and service quality, expenditures in the field of marketing, investments and R&D, and corporate diversity.

McCaskey (1974) as well as Mintzberg (1978) stressed the importance of managers' personality, of organizational conditions, and stakeholders. Schoeffler, Buzzell, and Heany (1974) further added marketing, R&D and financial conditions, product and service quality, and corporate diversity to a strategy model.

1.6 Strategy research in the 1980s

The late 1970s and early 1980s brought on a host of field and studies that aimed at an evaluation of the fragmented strategic concept of the long-term planning models that often proved hard to implement (Hofer, 1975; Abell, 1980; Ginsberg, 1984; Ginsberg, & Venkatraman, 1985; Shapiro, 1989). This literature was accompanied more and more by calls for holistic strategy concepts that would allow for plans that incorporated the all activities of the enterprise (Hall, 1980). Jemison (1981) was perhaps one of the first to require an enterprise-wide focus rather than long-term planning for subunits, suggesting that a holistic strategy will help managers co-align business competences with its opportunities and its environment. Following Jemison (1981), most of the strategy literature in the 1980s moved its focus to discovering, analyzing, and suggesting holistic strategies for various industries and various competitive situations.

For the 1980s, we included 30 works into our analysis. Since empirical work can increasingly be found in strategy research, we included ten empirical works. Although some authors (Ginsberg, 1984; Ginsberg, & Venkatraman, 1985) hinted to an increase of case study research in the 1980s, we cannot confirm this trend. In our research, we detected an unchanged amount of influential case studies though the sum of theoretical treatise rose to eleven. We further included nine models into our research, as Table 1.5 shows. What remained clearer in the 1980s was the differentiation between general and special purpose classifications with respect to strategy research. The latter focuses on specific strategy characteristics, on different environments, or on specific situations, the former on all kinds of businesses in all markets. In fact, strategy research of the 1950s, 1960s, and 1970s did not have a general but a rather specific focus. In 1980, two big research projects changed this trend by focusing on all parts of businesses that operate in several industries and fit

to several situations. With Abell (1980) and Porter (1980), the first holistic and general studies appeared and a new trend in generic strategies came up (Chrisman, Hofer, & Boulton, 1988). We present a short overview on their revolutionizing ideas in the following.

Table 1.5: Strategy research in the 1980s.

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1980	Abell	Comparative analysis of historical development of US companies; structure follows strategy (strategic planning; process of planning; decisions; R&D, financial policies, manufacturing, marketing; objectives, roles and business units; environmental and competitive	Model development	Holistic	book	1,339
1980	Bourgeois III	surroundings) A conceptual integration of environment and strategy; objective and perceived environment, outcomes and processes of strategy	Theoretical treatise	Strategic	AMR	1,056

Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
Hall	Two business strategies: cost leadership and differentiation; analysis of 64 companies	Model development	Generic strategies	HBR	586
Hayes, & Aberna- thy	Creating economic value; international comparison, investing, innovating, leading	Theoretical treatise	Inno- vation	HBR	2,080
Porter	Structural analysis of industries: Porter's five forces	Model development	Competiti ve/coope- rative behavior	HBR/boo k	> 1,600
	Three generic competitive strategies	Model development	Generic strategies	book	> 48,000
Snow, & Ham- brick	Analysis of about 200 organizations acting in 10 industries by questionnaire surveys, interviews; theoretical and methodological problems,	Empirical work	Strategy research method	AMJ	531
	Hall Hayes, & Abernathy Porter Snow, & Ham-	Hall Two business strategies: cost leadership and differentiation; analysis of 64 companies Hayes, & Aberna- thy Creating economic value; international comparison, investing, innovating, leading Porter Structural analysis of industries: Porter's five forces Three generic competitive strategies Snow, Analysis of about & Ham- brick Analysis of about 200 organizations brick acting in 10 industries by questionnaire surveys, interviews; theoretical and methodological	Hall Two business strategies: cost leadership and differentiation; analysis of 64 companies Hayes, Creating economic treatise thy comparison, investing, innovating, leading innovating, leading Porter Structural analysis of industries: Porter's five forces Three generic competitive strategies Snow, Analysis of about Empirical work acting in 10 industries by questionnaire surveys, interviews; theoretical and methodological problems,	Hall Two business strategies: cost leadership and differentiation; analysis of 64 companies Hayes, Creating economic thy comparison, investing, innovating, leading Porter Structural analysis of industries: of industries: porter's five forces Three generic competitive strategies Snow, Analysis of about treatise trategies Snow, Analysis of about brick acting in 10 industries by questionnaire surveys, interviews; theoretical and methodological problems,	Hall Two business strategies: cost leadership and differentiation; analysis of 64 companies Hayes, Creating economic Theoretical Inno-thy comparison, investing, innovating, leading Porter Structural analysis Model Competiti HBR/boo of industries: Porter's five forces Three generic competitive strategies Snow, Analysis of about Empirical Strategy strategies Snow, Analysis of about Empirical Strategy AMJ extensible acting in 10 industries by questionnaire surveys, interviews; theoretical and methodological problems,

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1980	Waterman Jr., Peters, & Phillips	7s model, effective organizational change is relationship between strategy, structure, style, systems, skills, staff as well as superordinate goals	Model development	Strategy and structure	ВН	529
1981	Jemison	Administrative behavior and strategic management	Theoretical treatise	Strategic manage- ment	AMR	76
1983	Galbraith, & Schendel	Strategy types for consumer (harvest, builder, cashout, niche or specialisation, climber, continuity) and industrial products (low commitment, growth, maintenance, niche or specialisation)	Empirical work	Product strategy	SMJ	520
1983	Phillips, Chang, & Buzzell	Interactions of product quality, cost position, business performance, PIMS data base hypotheses testing	Empirical work	Generic strategies	JMKG	811

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1984	Dess, & Davis	Multimethod, multivariate analysis on generic strategies	Empirical work	Generic strategies	AMJ	1,357
1984	Wernerfelt	Resource-based view in contrast to the product centralisation, Resource-product matrix, Mergers & Acquisitions, technological and production skills, contacts, mathematical treatise	Model development	Resource- based view	SMJ	16,618
1985	Chaffee	Three models of strategy: linear strategy (planning), adaptive strategy (internal and external conditions), interpretive strategy (corporate culture, symbolic management)	Theoretical treatise	Business strategy	AMR	902
1985	Ginsberg, & Venka- traman	Critical review of contingency perspectives of organizational strategy	Theoretical treatise	Strategy definition	AMR	463

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1985	Porter	Creating and sustaining a competitive advantage of a company with the help of the value chain	Model development	Competiti ve/coope- rative behavior	book	> 48,000
1986	Barney	strategic factor markets and their imperfections; creating imperfectly competitive product markets for obtaining greater than normal economic performance; finding the right strategies that are costly	Theoretical treatise	Business strategy	MNSC	4,873
1986	Venkatra- man, & Ramanujam	Measurement of business performance, comparison of approaches	Theoretical treatise	Business strategy	AMR	2,746

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1986	White	Generic business strategies, study on 69 business units, fit between business unit strategy and internal organisation of multi-business companies influence business unit performance	Empirical work	Generic strategies	SMJ	453
1987	Mintzberg	General examples on five definitions of strategy (strategy as plan, ploy, pattern, position, perspective)	Theoretical treatise	Strategy definition	CMR (also published in a book)	1,603 (based on the book)
1987	Porter	From competitive advantage to corporate strategy (define corporation's role and objectives, have necessary skills, organize and manage diversity, appropriate capital market environment)	Empirical work	Corporate strategy	HBR (also published in a book, 1996)	2,467 (based on the book, 1996)
1987	Schuler, & Jackson	competitive strategy and human resource management practices, short case examples	Theoretical treatise	Strategic HRM	AME	1,581

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1988	Chrisman, Hofer, & Boulton	Combination of Abell's and Porter's schemes of 1980 to a model with 16 exhaustive generic business strategies	Model development	Generic strategies	AMR	281
1988	Jones, & Butler	Porter's differentiation and cost leader strategy; analysis based on transaction cost theory, production costs, revenue	Model development	Generic strategies	AMR	134
1988	Miller	Questionnaire in Quebec on the relation of Porter's strategies to structure and environment	Empirical work	Generic strategies	AMJ	997
1988	Murray	Conjoint analysis framework on Porter's generic strategies	Empirical work	Generic strategies	AMR	373
1988	Stalk Jr.	Competitive advantage through time-based competition, case studies	Empirical work	Competiti ve/coope- rative behavior	HBR	1,604

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1989	Martinez, & Jarillo	Analysis of 82 empirical studies (1964-1988), coordination mechanisms in multinational corporations	Theoretical treatise	Strategic manage- ment	JIBS	692
1989	Segev	Porter's generic and Miles and Snow's strategy concept, comparative analysis of 31 variables by judges	Empirical work	Generic strategies	SMJ	277
1989	Shapiro	Theory of business strategy	Theoretical treatise	Business strategy	RJE	366

We can say that only few theoretical studies helped guiding cross-section regression studies or analyzing industries. Until the 1980s, only few researchers focused on the environment. We named Ansoff (1957, 1965) as well as Learned et al. (1965) as examples. Miller (1988) criticized that the works of Chandler (1962), Channon (1973), and Rumelt (1979), presented in the foregoing chapters, were incomplete: The environment is not included in the treatises on strategy and structure. The interest in strategy research with focus on the environment increased in the beginning of the 1980s: Ramanujam and Venkatraman (1985) summarized that the 1980s are marked by a combination of internal as well as external analyses. Holistic approaches emerged and environmental factors were implicitly and explicitly implemented (Bourgeois III, 1980; Ramanujam, & Venkatraman, 1985). Moreover, Chaffee (1985) delineated strategy as a tool to deal with a changing environment. Since the late 1970s, the environment, once handled as a small part of theory and often neglected in the early works, became more and more a set variable of strategy. The 1980s and 1990s were shaped by environmental changes. Meanwhile,

uncertainty grew and labor unions and governments politically influenced markets. Consequently, long-term planning became prominent for companies. This long-term perspective influenced decisions on investments. The focus on innovations guided the businesses and strategy research. Increasingly, the creation of value was taken into consideration (Hayes, & Abernathy, 1980; Coyne, & Subramaniam, 1996). Besides, the spread of information technology fundamentally changed the organizations' strategic orientations. Since the 1980s, the increasing use of computers and improvements in the field of communications technology altered doing business (Morton, 1988). In the 1990s, the Internet gained increasingly importance, and e-commerce rose in acceptance. This development forced big as well as small companies to rethinking their strategies (Yip, 2000; Tse, & Soufani, 2003). Among others, these transformations made business environments becoming an influencing aspect of strategy research since the 1980s. In the next part, we shortly explain different categorizations of the environment as an aspect of a company's strategy. Beforehand, we will give an insight into Abell's (1980) often cited concept.

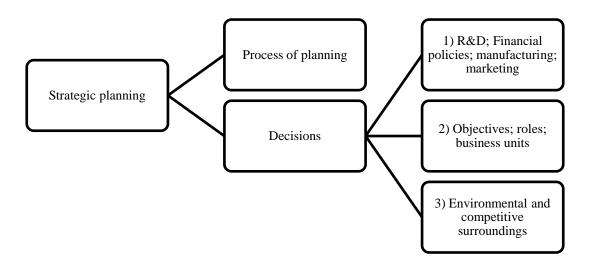
1.6.0 Abell's scheme of 1980

As visualized in Figure 1.3, Abell (1980) stated that until 1980 publications that referred to strategic planning were categorized into four groups. We included five works that exclusively focus on *strategic planning* in our systematic literature review. To understand strategic planning, we shortly summarize Abell's (1980) scheme in this section.

On the one side, research was carried out on the process of planning. On the other side, three of the research categories were based on decisions. These are (1) strategic decision making with respect to specific functional strategies, (2) decisions concerning the objectives and role of business units in the whole organization, and (3) decisions in regards to the definition of the different competitive situations and business activities, called environmental and competitive surrounding in the following. We will shortly explain all four publication directions. The first category of Abell's (1980) strategy research classification is the process of planning. The second category of Abell's (1980) scheme centers decisions. Decisions include three further categorizations, as Figure 1.3 shows. First, Abell (1980) summarized specific functional strategies, as for example research and development, financial policies,

manufacturing, and marketing planning. In Abell's (1980) second category of decisions, he emphasized objectives, roles, and integrated planning of and for business units in the entire company and the broad strategic directions that help the portfolio to achieve the role. According to Abell (1980), the fourth category of strategy research until the 1980s centers environmental and competitive surroundings of a company as well as decisions on the definition of the diverse business actions.

Figure 1.3: Abell's (1980) classification of strategy research.



The concept is pioneering, because it was not based on resources, compared to the majority of earlier literature on strategy research. Abell's (1980) study was cited more than 1,300 times. In fact, Abell's (1980) attempt is twofold: Helping educational development as well as a company's management (1) defining the market companies compete in, and (2) the businesses themselves. Moreover, Abell (1980) explained that three components are essential to set together a business strategy. According to his definition of a business, this is "the most important strategic question that general managers confront since it provides a context within which all other strategic questions can be considered" (Abell, 1980, p. 217). More precisely, Abell (1980) showed three measures that define a business and thus refers to e.g. Ansoff (1957, 1965) in this respect. The three measures are (1) scope, (2) differentiation of the company's offerings in the company itself (across segments), and (3) with respect to competitors. Thus, the three measures can further be viewed

in three dimensions: First, the customer function is centered and the question of who has which needs or what has to be satisfied is answered. Therefore, a product's or a service's functions are conceptually separated. Second, the market with a customer group served and satisfied is emphasized and a focus is put on customer identities. Third, the technology used and the question of how customer needs are satisfied is questioned. Thus, technologies can be regarded as a form of solution to a customer's need. The three-dimensional concept is an attempt to understand business strategy, but also to appraise competitors' strategies (Abell, 1980).

Abell (1980) somehow broke with the traditional way of thinking about strategy. According to him, strategy formulation is a creative act that can improve a company's competitive position. He thus hints to competition, but also to customers and product as well as services in regards to strategy. For the 1980s, Abell (1980) prognosticated an influencing time of strategy research and business practice. In the following part, we will reveal some outstanding theories of the 1980s and 1990s.

1.6.1 Strategy and the environment

Due to the explicit request for companies not only to consider their business but also their environment, we will shortly explain the definition of the environment. Literature distinguishes between internal and external environments. The internal environment is a company's inside. External factors are those relevant trends or events that directly or indirectly affect a company without the option to control them. To be more precise, literature provides three common understandings of the external environment. First, it refers to objects or entities external to the firm, such as customers, suppliers, competitors, bankers or other regulatory groups. Kefalas (1981) called these object task environment or immediate environment. Externalities imply well-defined and long-standing relationships that are highly relevant and controllable by a company. Second, an organization's task environment is centered with those external attributes that face a company. These external factors are categorized by heterogeneity or complexity or by their dynamisms, change, turbulence or volatility. The third possibility to explain the environment is to see it as a perception which "consists of definitions that treat environment in terms of managerial perceptions of environmental uncertainty" (Bourgeois III, 1980, p. 33). Kefalas (1981) called it general external business environment, which is by definition ill-defined, periodic, and implements government, domestic and world

market, public, technology, and the ecology sector. Additionally to the three categories, literature classifies the environment by its frequency and degree of change to be stable, dynamic, or turbulent (Bourgeois III, 1980; Kefalas, 1981).

According to Hofer and Schendel (1978), it is the manager's task to anticipate interdependencies as well as internal and external changes. This match of a company with its environment is dependent on the type of business and industry. Thus, each company has a strategy that defines more or less explicitly the match between its skills, resources and goals, and the environmental risks and opportunities (Hofer, & Schendel, 1978; Murray, 1988).

1.6.2 Business and corporate strategy in the 1980s

Because of the variety of research and the lack of a unified definition of strategy in the 1980s, it is difficult to compare research of those days. No agreed upon understanding of strategy was reached. Moreover, the aim of the 1980s research was to find a universal strategy that applied to all and whole businesses, no matter in which environmental context or resource position the company was active. Until the 1980s, researchers provided mostly middle range relationships. The grand theory of strategy was not of special interest. It was Jemison (1981) who defined that a strategist's main responsibility lies in focusing on the entire company and not only on subunits. Asking for this holistic approach, Jemison (1981) explained that a strategy's task is to help managers coaligning the company's competences with opportunities and the environment (Abell, 1980; Snow, & Hambrick, 1980; Jemison, 1981; Chaffee, 1985; Ginsberg, & Venkatraman, 1985).

Focusing on the structure problem of the 1980s, we would like to raise attention to Hofer (1975) and his strategy differentiations. He criticized the failure of not differentiating between corporate and business strategy in strategy research. Some studies on corporate strategy developed in the 1960s (see e.g. Tilles, 1963) and we have shortly presented some insights in the respective parts (see e.g. Learned et al., 1965). Since the late 1970s, strategy in literature is often hierarchically divided into two parts. On the one hand, strategy can be the choice in which geographic area or industry a company should operate in and what should be the core business (content of strategy). This is the question of where, in which business to compete in, or the corporate strategy level or companywide strategy. In this respect, Porter (1987)

added the question of how to array business subunits in order to add up to more than the combination of the several parts. The main focus of the corporate strategy lies on the objectives and goals a company wants to achieve with respect to the offered products, which markets to be served, and how to act within the environment. Thompson and Strickland (1986) and Dess et al. (1995) explained that corporate strategy can be summarized as the question of diversification, acquisitions, vertical integration, and new ventures. Gutmann (1964) understood the decision on where to do business as the most important strategic decision and advises to subsequently revise this categorization. Hatten, Schendel, and Cooper (1978) provided a holistic model and compared the corporate strategy to a portfolio decision in the field of investment theory (portfolio matrices). Researchers developed these concepts to identify corporate strategies, to visualize them, and to determine whether the current and future portfolio is or will be efficient. Looking back in history, portfolios had already emerged since the 1950s – though not under the same name. We shortly mentioned these historical portfolios in the beginning of this work. With respect to diversification of actual or future product lines, Ansoff's (1957, 1965) product mission matrix can be mentioned. Besides that, Hambrick (1980) further noted that the above mentioned studies based on Chandler's (1962) work have viewed strategy at a corporate level. In fact, diversification strategy, new venture creation, vertical integration, and acquisitions are all corporate strategy studies. However, Hofer (1975) explained that especially in the 1960s, no differentiation between corporate and business strategy was made. Therefore, the mentioned categorization of some theories to be more corporate-oriented remains only vague and not profound. A clear categorization concerning corporate and business strategy was thus neglected in the chapters governing the 1960s and 1970s. Initially from the 1980s on, authors more or less clearly defined their concepts to be corporate or business strategy oriented (Gutmann, 1964; Hofer, 1975; Hatten, Schendel, & Cooper, 1978; Hofer, & Schendel, 1978; Bourgeois III, 1980; Hambrick, 1980; Thompson, & Strickland, 1986; White, 1986; Porter, 1987; Shapiro, 1989; Dess et al., 1995). The corporate strategy studies thus mainly hint to aspects as acquisitions, vertical integration, investment, products, and organization of an enterprise.

In contrast, business strategy or competitive strategy, is a more focused strategy. It is the question of how a company in a given and specific industry, product/market area or business should compete to become competitively advantageous. In other words, business performance is crucial. For example, a competitive advantage can be achieved by pricing, product culture and R&D, customer service, finances, production, marketing, or sales. Employees also play an important role. Furthermore, it is of interest how a company accomplishes a special goal, e.g. the deployment of resources compared to competitors. A further differentiation can be made between the formulation of the strategy process and the implementation, which we will shortly point to in the following part (Hatten, Schendel, & Cooper, 1978; Hofer, & Schendel, 1978; Hambrick, 1980; Snow, & Hambrick, 1980; Jemison, 1981; Thompson, & Strickland 1986; Venkatraman, & Ramanujam, 1986; White, 1986; Porter, 1987).

According to Porter (1987), no explicit consensus and definition of corporate strategy is agreed upon. Miller (1988) further stated that especially in undiversified companies, no substantial differences between corporate and business strategy exist. Moreover, some strategic concepts cannot be allocated to one of the two categories, as they are too broad. Dess et al. (1995) further pointed to the importance of conducting research on all levels of strategy, also simultaneously. Dess et al. (1995) explained the different levels to be interconnected and interdependent. Business strategy research mainly concentrates on the aspects R&D, service, finances, production, marketing, sales, and prices, as explained above.

Besides the two concepts of corporate and business strategy, additional categories of strategy exist. For example, Hofer and Schendel (1978) elucidated the functional area strategy. Within this strategy, the maximization of resource productivity is pivotal. Research in this area started in the mid-1960s and focused functional area variables in the field of marketing, finance, manufacturing, and R&D. However, this kind of research can rather be interpreted as research in the field of business strategy (Hatten, Schendel, & Cooper, 1978; Hofer, & Schendel, 1978).

In addition to the two class-separation of Hofer (1975), Hofer and Schendel (1978) defined three major aspects with respect to strategy research. First, it is the breath of the concept of strategy. In this respect, two sub-understandings of strategy can be found in literature: On the one side, the goals and objectives a company wants to achieve; on the other side, the means to be used for achieving them. The latter is a

narrower understanding of the strategy definition. It defines the integration of the set of means and policies as in some organizations. Setting of goals and the formulation of strategy have to take place separately. However, in some companies, both processes are intertwined. Whereas goals could be understood as corporate strategy, the means used rather pertain to business strategy. As goals can also be set in the field of business strategy, a clear separation according to Hofer's (1975) idea is still not possible.

Second, researchers discussed the components of strategy. Thereby, they emphasized the question of how the narrow concept of strategy is set together. Third, researchers argued about whether to analyze the setting of goals separately or if it should be part of the strategy formulation process. The three major aspects can be combined in the question of whether strategy should be explained in detail, narrowly, or broadly (Hofer, & Schendel, 1978). Consequently, step one is a differentiation between corporate and business strategy, whereas steps two and three mainly focus on business strategy. In the ongoing chapters, we shortly present differing strategy concepts. Where clear information is available, we emphasize the concepts as being corporate or business strategy ones.

1.6.3 Time horizon: Strategy formulation/strategic planning and strategy implementation

The aim of this part is to give an insight on the time horizon of strategy. As exemplified in Figure 1.4, the time horizon enables an additional overview on corporate and business strategy. We included this part to show the difference between the concepts while also exemplifying the time needed to formulate and implement a strategy. We will come to the formulation and implementation of strategy in more detail in chapters 4 and 5 of this work. However, Hofer and Schendel (1978) broached the issue of the time horizon in the late 1970s. We thus shortly summarize their ideas of strategy formulation in this chapter of the 1970s to follow the methodological approach of presenting an overview on the main impacts per century.

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⁶ Please note: Hofer and Schendel (1978) provide a summary of existing literature. Although the authors name other authors, they do not cite correctly which original works they refer to. It is thus assumed that information from personal contacts as well as a mixture of different literature were used for their analyses. The original texts could not be found.

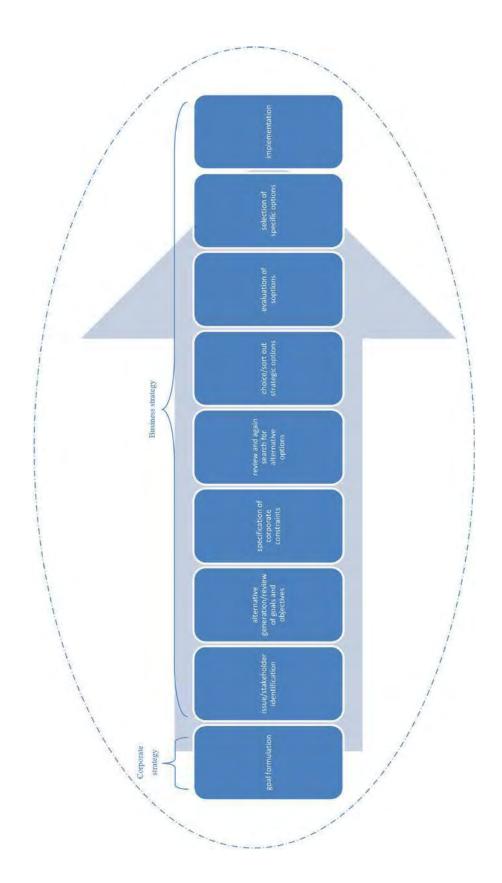
In 1975, Hofer (1975) criticized that articles mainly described strategy and rarely focused on prescriptive elements. This trend was followed by a normative era from 1970 on. Normative models, research, and theories were directed and mostly converged into the strategy formulation process. Mintzberg (1987) summarized that the strategy formulation process was the first to be intensively revealed in literature. Hofer and Schendel (1978) divided the strategy formulation process into four parts. Their book is cited more than 3,000 times and was thus included into our systematic literature review though other works that explicitly focus on strategy formulation were excluded. That is why we implement it in this part. Although Naylor (1980) is not included in our systematic literature review, we further added his four steps to an eight step process. He pointed out that these steps have to be pursued in order to answer questions to corporate development. We therefore combined both concepts. Naylor's (1980) steps are more precise in the beginning: Steps one to four are summed up as issue identification in Hofer and Schendel's (1978) work. However, issue as well as stakeholder identification are considered in one step. Alternative generation, step two of Hofer and Schendel (1978), and searching for additional options, step 5 of Naylor (1980), can be interpreted as the same steps, as steps three and seven and four and eight respectively (see also Hofer, 1975; Mintzberg, 1987).

From this, we can conclude that before the formulation process of a strategy starts, goals should be found and formulated, as mentioned in Hofer and Schendel's (1978) three major aspects of strategy. Then, issues and stakeholders should be identified. This is followed by a generation of alternatives and a review of goals and objectives, having in mind changes in the company's environment. Subsequently, corporate constraints should be specified. Alternative option generation should continually take place to analyze the present market situation, as Naylor (1980) explained. Moreover, inadequate options have to be sorted out and a choice upon the importance of the options should be made. Portfolio models are useful tools for an evaluation of the options. The choice is defined as a selection of specific options. In this context, business strategies are selected. Finally, after the formulation process, the implementation of strategy can take place. All steps are influenced by the environment, as explained in the introduction (Hofer, & Schendel, 1978; Naylor, 1980).

Hofer and Schendel (1978) concentrated on the formulation of both, corporate as well as business strategy, because both concepts are interrelated. They anticipated seven steps to be followed explicitly or implicitly. (1) Identification of a company's current strategy and the strategic components before the (2) environmental analysis that aims to raise awareness of corporate opportunities and threats takes place. (3) In the resource analysis, resources and skills in the company are identified in order to be able to close gaps analyzed in the (4) gap analysis. This gap analysis compares an organization's resources, objectives, and strategy to opportunities and threats to detect the need for change. (5) The strategic alternatives have to be considered before (6) evaluating strategic options with respect to objectives and values of influenced and influencing people and parts. Finally, the (7) strategic choice leads to putting into practice at least one strategic option. Whereas the formulation of the strategy is a cognitive aspect, the implementation is an active phase of strategy development. The late 1980s were somehow influenced by the idea of implementing a strategy. For instance, Loomis (1988) requested the integration of the same understanding of strategy into the people's thinking, rewarding those that foster this strategy and teach the outcomes. Loomis (1988) further suggested articulating a corporate mission, goals, and long-range plans. These tools help to communicate and successfully implement it. Barney (1986) indicated not to neglect the costs of implementing a strategy: If these costs are greater than the returns of a new strategy and a competitive market position, companies have no incentive to invest (Hofer, & Schendel, 1978; Snow, & Hambrick, 1980; Rule, 1981; Barney, 1986; Loomis, 1988; Reimann, 1988).

As explained in the beginning of this chapter, in the 1980s, the need for holistic concepts was exemplified. In the next part, we will thus present the most often cited studies of the 1980s and 1990s, followed by developments in the 21st century.

Figure 1.4: The strategy formulation process.



Source: Own illustration, partly adapted from Hofer, & Schendel, 1978, p. 6; Naylor, 1980, p. 31.

1.6.4 The first holistic studies

Until this part, strategy concepts were mainly descriptive, fragmentary, and hard to be applied in practice. In the 1980s, the first normative and holistic concepts evolved - including the environment for the first time. We have shown Abells (1980) concept in part 1.6.0. Porter (1980, 1985) interpreted strategy as a company's response to its environment by simultaneously shaping the business surrounding in the own favor. Centering the firm rather than the industry and implementing the environment in the thoughts, Porter (1989, 1985) somehow revolutionized strategy research (Rumelt, Schendel, & Teece, 1991). Today, his concepts are still seen as influential ideas. They are theoretically and empirically tested, taught in universities, and used in practice (Dess et al., 1995; Lassar, & Kerr, 1996; Teece, Pisano, & Shuen, 2000; Hill, & Hernández-Requejo, 2011). Thus, we will present his five forces of strategy, his generic strategy approach, and the value chain in the following, while comparing it to and supplementing it by similar approaches. Beforehand, we will give an insight into Miles and Snow's (1978) concept that is cited more than 8,000 times⁷. Hambrick (1980) saw Miles and Snow (1978) as the only authors to have systematically elaborated the linkage between strategy and structure until the late 1970s. They thus added new insights into Chandler's (1962) strategy and structure approach. Yet their study represents a holistic model.

1.6.5 Defenders, Prospectors, Analyzers, and Reactors

In 1978, Miles and Snow (1978) proposed a model whose main idea is a culture types categorization to classify companies. They defined organizations as surviving when doing a limited set of work well. Miles and Snow (1978) based their research on the strategic orientation to further predict the organization's structure and process characteristics, partly also in the future (Miles, & Snow, 1978; Campbell, Stonehouse, & Houston, 1999).

Three pivotal ideas support their work. Rather than only responding to given conditions, companies create, manage, and shape their environments. Moreover, the management's strategic choices form a company's structure and process. In this

⁷ Please note that the authors also published a paper under the same name together with Meyer and Coleman (1978). We summarize the ideas and use Miles and Snow (1978) as the respective source in the following.

regard, Miles and Snow (1978) relied in their research on Chandler's (1962) ideas, which were presented above. After the implementation of strategy and structure, processes, rules and programs etc. have to be developed and implemented for breaking down complex problems into manageable units (Miles, & Snow, 1978).

Miles and Snow (1978) underlined the importance of working out managerial decisions for organizationally adapting them in the following three intricately interwoven problem fields: (1) entrepreneurship, namely "selecting a viable market domain and a set of objectives relative to it" (Miles, & Snow, 1978, p. 153), (2) engineering, particularly "creating a technological process for serving the selected domain" (Miles, & Snow, 1978, p. 153), and (3) administration, more precisely "developing an organization structure and a set of managerial processes to coordinate and control the selected technology, and, further, to direct those innovative activities necessary for maintaining the organization's continuity" (Miles, & Snow, 1978, p. 153). Relating the solutions of the three problems will lead to an organizational adaptation to implement an effective adaptive cycle. Being aware of problems and adjusting to them results in four strategic types of businesses, namely the Defenders, the Prospectors, the Analyzers, and the Reactors. All possess differing organizational behavior. The four types entail all their own strategy which fosters flexibility and efficiency. Consequently, the management has to consciously articulate an internal organizational image according to one of the four strategic types. A special and continuous response to the company's environment has to take place, e.g. in the form of interactions with the environment and stakeholders (Miles, & Snow, 1978). Thus, Miles and Snow's (1978) concept mainly concentrates on a company's orientation with respect to its product-market development (Segev, 1989). It suggests the importance of an articulated internal image, to administration, the managers' influence, and the stakeholder relationship. It further defines that manageable units might help to structure a strategy concept.

1.6.6 Five forces of strategy

Abstracting from the details of the business, in this and in his later work (e.g. Porter, 1985, 1987) on the competitive advantage, Porter defined the enterprise's competitive environment generically which is a typical approach in the abstract game-theoretic models of competition ('industrial organization'). His main message was that no matter what the business is about, its performance can be defined by a

set of competitive forces. In fact, Porter's (1980, 1985, 1987) works belong to the general strategy concepts as applying to all strategies and situations (Chrisman, Hofer, & Boulton, 1988). Before Porter's new understanding of strategy, factors such as the quality of products, management skills, as well as the access to resources were seen as influencing factors for success but were hardly included in strategy research. Porter (1980, 1985) further based his thoughts on other existing and accepted concepts, e.g. the product life cycle which was shortly described in part 1.4 (Hofer, & Schendel, 1978; Foss, 1996).

Initially, Porter (1980, 1985) concentrated on competitive strategy which centers the industry. His central believe was that a company could only compete efficiently when it is related to its industrial environment. Overall, five forces drive the industry competition and can be understood as the underlying economic structure of each market. Therefore, he introduced the five forces of strategy in order to relate a company to the industry or industries it acts in and to analyze its competitive position. These five forces comprise the threat of entry, the intensity of rivalry among the already existing competitors, the threat of substitutes, the bargaining power of buyers, and the bargaining power of suppliers.

In the 1980s and 1990s, strategy was understood as a response to and a shaper of business environment. This underlying theory on competitive strategy led Porter (1980) to develop an analytical framework for getting to know industries as well as competing firms. The ultimate goal of the five competitive forces is to determine an industry's attractiveness and to monitor changes. It thus serves as a tool to formulate competitive strategy.

Moving on from this analytic approach, Porter (1987) introduced his notion of a corporate strategy, shifting the focus of strategy discussion from the industry perspective to the perspective of an enterprise. In order to defend the competitive position in an industry once being implemented with the help of the five forces, a company has the possibility to choose between so-called generic competitive strategies (Porter, 1980, 1985). Several authors centered generic strategies in their research (see e.g. Phillips, Chang, & Buzzell, 1983; Dess, & Davis, 1984). Thus, the upcoming section will give an exemplary overview on two influential concepts, namely Hall's (1980) and Porter's (1980) generic strategy concepts. We included

twelve generic strategy concepts in our systematic literature review, ten from the 1980s, and two from the 1990s.

1.6.7 Generic strategies: Hall (1980) and Porter (1980)

Due to the increasing growing pressures in the United States since the 1970s, Hall (1980) emphasized the research question of which strategy to center in order to grow, survive, and compete in a hostile environment and came up with two competitive approaches. That is, successful companies either concentrate on low costs or on differentiating their offers through performance and quality. Hall (1980) based his research on eight industries that are labor, capital, as well as raw material intensive. These industries suffered from inflationary pressures that could not be price recovered. Besides domestic pressures, foreign competition became increasingly influential (Hall, 1980; Ghemawat, 2002). What Jones and Butler (1988) criticized about Hall's (1980) theory is that although the author explains a simultaneous attainment of strategy to be existent, the question of how to pursue both strategies remains unanswered (Hall, 1980; Jones, & Butler, 1988).

Similar to Hall's (1980) thoughts, Porter (1980, 1985) introduced a three generic strategy concept in 1980. Porter (1980) added a focus option into his ideas on cost leadership and differentiation. Cost leaders offer their products at prices below the market standard. The respective companies thus steadily decrease their costs. In contrast, differentiators manufacture high quality or novel products that can hardly be imitated. Customers perceive and value this qualitative difference and are willing to pay a higher price. A company that follows a focus strategy satisfies a narrowly targeted market. The focus strategy can be further divided into cost focus and differentiation focus. Porter (1980) also introduced the expression of 'being stuck in the middle'. If a company fails to follow one generic strategy, a competitive advantage is not easily achieved (Porter, 1980; Murray, 1988; Miller, 1992).

Porter's (1980, 1985) generic strategies possibly belong to the most influencing research tools for classifying strategies – rather including all influencing competitors than only one company, as Dess and Davis (1984) summarized. The main idea of the implementation of one of these strategies is to gain an enduring advantage over other market actors. In contrast to the five forces that center the industry, the generic

strategies focus on the firm and its competitive advantage. The central issue is to outperform rivals, as Dess et al. (1995) explained.

Porter's (1980, 1985) theories are widely confirmed by empirical studies, as e.g. by White (1986), but also discussed in many places. Especially the focus strategy, which Porter (1980) saw as a third generic concept, was widely criticized for being confusing. Criticizers (Phillips, Chang, & Buzzell, 1983; Miller, & Friesen, 1986; Chrisman, Hofer, & Boulton, 1988; Jones, & Butler, 1988; Murray, 1988; Miller, 1992; Porter, 1996) further pointed to the fact that Porter's (1980, 1985) generic strategies fail to differentiate between segments and are thus not internally homogeneous. Furthermore, they are criticized for not helping enterprises that act in more than one market with different approaches (Chrisman, Hofer, & Boulton, 1988). What is more, Porter (1980, 1985) neglected to explain how companies can implement the generic strategies. Moreover, his exclusion of stuck in the middle strategies makes them not being collectively exhaustive. Here, a clear difference to Hall's (1980) strategy of cost leadership and differentiation, can be seen. Whereas Hall (1980) explained that companies with mixture strategies can somehow survive in the market, Porter (1980, 1985) opposed the existence of generic strategy mixtures. Murray (1988) disagreed with Porter's (1980, 1985) theory of being stuck in the middle if a company does not concentrate on one strategic approach. According to Murray (1988), a linkage of the strategy concepts is possible, and they are not mutually exclusive. Therefore, Porter's (1980, 1985) logic is inconsistent. Empirical findings provide contradicting results to Porter's thoughts. To name a few: Phillips, Chang, and Buzzell (1983) found out that in some markets a combination of high quality and low prices relative to the competitors is common. However, this is not the case for capital goods businesses. Simply setting on quality of goods is not strategically efficient. Jones and Butler (1988) also hypothesized that differentiation and cost-leadership must both be considered in each company. They explained cost trade-offs to be existent within both generic approaches, namely production costs in cost leadership and transaction costs in differentiation. Consequently, companies can achieve both strategies at once. Miller and Friesen (1986) provided similar results. Miller (1992) specified that a combination of strategies might even be complementary. To be more precise, differentiating and increasing the market share might lead to economies of scale and thus cost

reductions. Combining the strategies, the possibility to behave flexibly in the long run and to satisfy with a broad spectrum of products arises. Consequently, companies offer high quality products at acceptable prices; imitation is nearly impossible. Finally, in 1996, Porter (1996) somehow refused his believe in the negative effect of being stuck in the middle (Phillips, Chang, & Buzzell, 1983; Miller, & Friesen, 1986; Chrisman, Hofer, & Boulton, 1988; Jones, & Butler, 1988; Murray, 1988; Miller, 1992; Porter, 1996).

Further examples of generic strategy concepts exist. Chrisman, Hofer, and Boulton (1988), for example, combined Abell's and Porter's schemes of 1980 to a model with 16 exhaustive generic business strategies. These strategies are broad or narrow in scope. 14 of them are theoretically possible and can be adopted (Chrisman, Hofer, & Boulton, 1988). Drucker (1985) also developed a three-part concept. He based it on market entry relative to the competitor. According to him, besides a niche strategy, the 'firstest with the mostest' and the 'second with the mostest' strategies can be experienced on the market. As the work is cited less than 35 times, it is not included in the systematic literature review. Miller (1988) further related Porter's (1980, 1985) theories to the environment and structure.

Segev (1989) suggested a combination of Porter's (1980, 1985) generic strategies and Miles and Snow's (1978) strategy concept. Segev (1989) distinguished between high and low proactiveness as well as high and low consistency. According to Segev (1989), missing components of Porter's (1980, 1985) concept are integrated into this mixture. These are uncertainty, complexity, level of risk, dynamism, and size of the strategy-making team.

Concluding the theory on the five forces and generic strategies, it becomes evident that a concept should implement a competitive aspect as well as the company's relationship to suppliers, customers, competitors, as well as the executive team.

1.6.8 The value chain

After the analysis of the industrial structure and the position of the company relative to the competitors, Porter (1980) suggested focusing on the value chain of a company. This value chain should disaggregate a company into the strategically significant actions for getting a margin. The analyst is thus asked to define primary activities and support activities, consisting of five respective four parts. Depending

on the industry, specific interest lies in some activities, whereas others can be more or less neglected. To all parts of the value chain, refinements exist. These examples show that Porter's (1980, 1985) theories and parts of it are still of interest in today's research (Porter, 1980; Porter, 1985; Schuler, & Jackson, 1987; Michie, & Sheehan, 2005).

Bringing the firm – rather than the industry – to the center of the discussion, Porter (1980, 1985) basically revolutionized strategy research (Rumelt, Schendel, & Teece, 1991). Porter's (1980, 1985) three main contributions, (1) the five competitive forces, (2) the generic strategy approach, and (3) the value chain, are some of the most frequently cited, most widely taught, and most influential concepts to date (Porter, 1985; Dess et al., 1995; Lassar, & Kerr, 1996; Teece, Pisano, & Shuen, 2000; Hill, & Hernández-Requejo, 2011). Porter's (1980, 1985) three concepts also generated a multiplicity of theoretical and empirical studies in the following years, most enhancing his concepts and a few criticizing his work (Lassar et al.,1996). This shows that although the concepts are holistic and general in nature, researchers faced their limits. Some concentrated on only special parts of competitive strategy, such as human resources management, teams (e.g. Schuler, & Jackson, 1987; Michie, & Sheehan, 2005), and strategic change (e.g. Wiersema, & Bantel, 1992). However, we suggest keeping HRM and team in mind for developing a new concept.

1.6.9 Consumer and industrial products concept

Galbraith and Schendel's (1983) approach focused the deepening of foregoing works. More precisely, they wanted to provide typologies of business level strategy of companies providing consumer or industrial goods. We thus categorized them to *product strategy*.

In contrast to Hall's and Porter's strategy approaches of 1980, Galbraith and Schendel's (1983) idea was to categorize companies with respect to their products. Their research was followed by a six-types approach for companies that manufacture consumer products as well as a four-types approach for industrial

⁸ The five competitive forces (1) relate an enterprise's strategy to the intensity of rivalry among the existing competitors, to the bargaining power of suppliers and buyers and to the threats of substitutes

and of new entrants. The generic competitive strategies (2) include cost leadership, product or service differentiation and a focus strategy that targets a niche in the market. The concept of the value chain (3) introduces an analysis of the interaction within the value creating enterprise or supply chain that helps identify the strategically significant actions that are necessary for generating a margin.

products. Please see Figure 1.5 and Figure 1.6 for details and percentages. Galbraith and Schendel (1983) saw analogies to other concepts, as e.g. Hofer and Schendel's (1978) work for the cashout strategy. From Galbraith and Schendel (1983), we can derive that one should assign a flexible model to the companies that fits to different products.

Figure 1.5: Strategy types for industrial products.

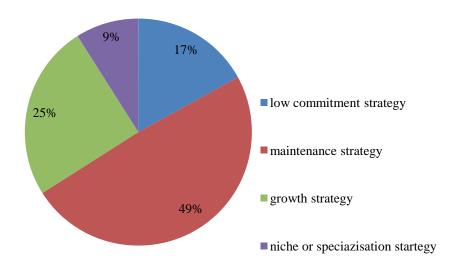
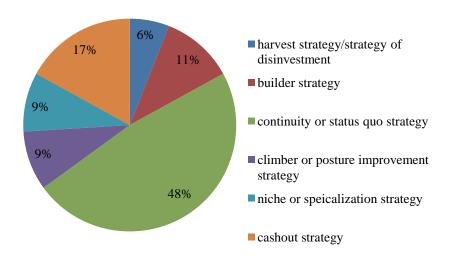


Figure 1.6: Strategy types for consumer products.



1.6.10 Time-based competition

In an increasingly globalized world, strategy research of the 1990s is influenced by dynamics and time. As a reaction to the fast developing global business environment, rapid responses to changes in market demands and technology had to be made. Zahn and Dillerup (1994) supported the theory of non-permanent competitive advantage. Continuous dynamics force companies to refight and defend their position (Pettigrew, 1992; Zahn, & Dillerup, 1994; Dess et al., 1995).

One of the first to somehow break with the idea of being smarter than the competition and to think dynamically was Stalk Jr. (1988) with his time-based competition theory, being cited more than 1,600 times and classified in competitive/cooperative behavior. Time is an essential variable for becoming competitive, and combining fast responses with increasing variety is important. Stalk Jr. (1988) explained time to be a strategic weapon, as it is an equivalent of productivity, money, quality, and innovation. Coyne and Subramaniam (1996) understood time-based competition as a subvariant of competitive advantage and thus of Porter's (1980, 1985) models. Time-based competition is a practice-oriented research field. Critics declared that though time is a relevant factor to the market, solely centering it might lead to a squandering of resources. Thus, time-based competition is called a subvariant of competitive advantage. With the implementation of time to strategic thinking, strategy moved from a constant to an evolving part of a company (Stalk Jr., 1988; Rumelt, Schendel, & Teece, 1991; Coyne, & Subramaniam, 1996; Ghemawat, 2002). We will thus come to the 1990s and the 21st century in the following and see how the competitive and strategic thinking developed in those days.

1.7 Strategy research in the 1990s

As the importance of global resource markets became evident throughout the 1970s and 1980s, the perspective of strategic management started shifting from the enterprise competition to a global resource competition. This led to a new set of strategic concepts relying on the enterprise's specific resource endowment. In this resource-based view, introduced by Wernerfelt (1984) and relying on

Penrose (1959), corporations' strategy choices depend on their capability to access internal and external resources. Consequently, the strategic perspective shifts from the enterprises' competition in local product markets to global resource markets.

In the 1990s, globalization was clearly on its way, but only as a business-to-business phenomenon. While most consumers were still bound to regional markets, businesses managed global supply chains, established global partnerships, and created global alliances. Global success, it seemed, would depend as much on competition as on cooperation powered by enterprise application suites⁹ that enabled a more efficient and a better coordinated interaction, both within and across firm boundaries.

Smith III (1981) summarized that business success of the 1980s mainly defined the relative position of the company of interest and its competitors. Thus, strategic decisions and planning orientate on the actions and reactions of competition. Therefore, Smith III (1981) suggested eight approaches to analyze the competitive position, namely with respect to product lines or services overlap, financial conditions, product strategy commitment, international strategies, diversification, access to capital markets, the style of image of a management, as well as company ratings (Smith III, 1981). We can confirm that the basis of strategy research until the mid-1980s was to become competitive against other companies. Moreover, an increase in research interest in internal organization arose, including administrative processes (Rumelt, Schendel, & Teece, 1991).

In the 1990s, we identify seventeen influential works. We can thus see that the peak of the strategy research era was overcome as the amount of publications decreases. Six works are empirical, three studies show models, but the majority, namely eight studies, represents theoretical treatises. The fourteen works cover eight classifications. Seven studies focus on globalization/internationalization in regards to strategy. In this context, it is important to recall that we only included those works into systematic literature review that explicitly focused the globalization/internationalization and strategy. In the following, we will shortly introduce global strategies and elucidate the corporate strategy concept of the Balanced Scorecard as a company analysis concept. Additionally, our focus will lay

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⁹ In the 1990s, they were generally known as "enterprise resource planning" (or "ERP") systems.

on a concept called Coopetition, which somehow revolutionized the competitive thinking. Nalebuff and Brandenburger (1996, 1997) faced cooperative aspects and were among the first to break with the pure competitive thinking of the 1980s (Jansen, 2000). Table 1.6 shows strategy research in the 1990s.

Table 1.6: Strategy research in the 1990s.

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1990	Prahalad, & Hamel	Core competencies at known international companies, case studies	Empirical work	Globali- zation and strategy	HBR	20,874
1991	Porter	Dynamic theory of strategy, longitudinal competitive position problem	Theoretical treatise	Competiti ve/coope- rative behavior	SMJ	3,226
1991	Rumelt, Schendel, & Teece	Relationship between strategic management and economics	Theoretical treatise	Strategic manage- ment	SMJ	938
1992	Melin	Internationalization as a strategy process, review	Theoretical treatise	Globali- zation and strategy	SMJ	712
1992	Miller	Mixed generic strategies (not using only one of them)	Theoretical treatise	Generic strategies	JBS	166

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1992	Wiersema, & Bantel	Sample of 87 of the 500 largest manufacturing firms of 1980 (based on TRINET data and other available data), measurements of firm performance, organizational size, top management team size, industry structure, relationship between demography of top management teams and strategic change	Empirical work	Strategic change	AMJ	1,664
1993	Peteraf	Competitive advantage and the resource-based view	Model development	Resource- based view	SMJ	7,981
1992- 1998, 2000	Kaplan, & Norton; Epstein, & Manzoni	Several treatises and empirical work on the balanced scorecard (corporate strategy), Financial, internal business process, customer, learning and growth	Model development	Corporate strategy	book; HBR; EMJ	> 13,000; 288

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1995	Dess, Gupta, Hennart, & Hill	Integrative studies on globalization and internationalisation/ corporate-level strategy (acquisitions, diversification, vertical integration, new ventures)/ business-level strategy (competitive advantage)/ integration of multiple levels of strategy, theoretical summaries of research, supported by short case examples	Theoretical treatise	Globalization and strategy	JOM	203
1996	Collins, & Porras	Superior long-term performance with a clear vision that consists of core ideology and envisioned future, core values and core purpose have to remain fixed, business strategies and practices adapt to changes	Theoretical treatise	Strategic manage- ment	HBR	967

Year	Author	Content	Method,	Classifi-	Published	Frequency
			measurement	cation	in	of quotes
1996	Coyne,	Old and new	Empirical	Business	MKQ	119
	& Subra-	strategy concepts,	work	strategy		
	maniam	concept creation,				
		Interviews with				
		more than 60				
		international				
		consultants of				
		McKinsey (review				
		of traditional				
		strategy model,				
		survey of academic				
		literature,				
		examination of				
		practitioner's				
		theories,				
		discussion/applica-				
		tion with more than				
		70 countries),				
		Examination of				
		more than 25				
		separate strategy				
		concepts that are not				
		appropriate to each				
		business				

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1996	Lassar, & Kerr	Influence of competitive strategy on relationship between suppliers and their distribution networks, Cluster analysis, interviews with 40 manufacturing company managers, manufacturer-distributer relationships	Empirical work	Generic strategies	SMJ	181
1996	Porter	What strategy is (operational effectiveness, unique activities, sustainable strategy position requires trade-offs, fit drive competitive advantage and sustainability, rediscover strategy)	Theoretical treatise	Strategy	HBR	7,257
1996, 1997	Nalebuff, & Branden- burger	Coopetition theory, game-theoretic model, cooperating and competing simultaneously	Model development	Competiti ve/coope- rative behaviour	book; SL	> 3,000

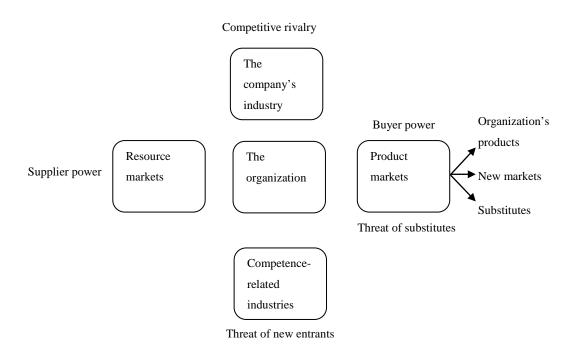
Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
1998	Gupta, & Lonial	Linkages between manufacturing, business and organisational strategy, exploratory study, 175 questionnaires	Empirical work	Business strategy	POMS	68
1998	Lane	Case studies on the largest British and German MNCs, operating in highly globalized industries, defining themselves as global players	Empirical work	Globalization and strategy	ES	69
1999	Campbell, Stonehouse, & Houston	An introductory overview on business strategy	Theoretical treatise	Business strategy	book	87

1.7.0 Resource-based perspective

Another subvariant concept of competitive advantage is the resource-based strategy management which goes back to Penrose (1959) and Wernerfelt (1984). We included three studies of the *resource-based view* into our systematic literature review. The main idea is that companies consist of a set of resources, which they use in different ways. This usage enables managers to emphasize process, change, and diversity while also showing resource flows. The usage of resources influences a company's strength and weaknesses. Thus, the concept is widely accepted as an adequate starting point for analyzing a company's strength and weaknesses, as e.g. in a SWOT analysis. Although the concept is not based on factor-market impediments or barriers, it includes similar ideas as Porter's (1980, 1985) value chain, the five forces, or the concept of core competences. In Figure 1.7 we visualize

the resource-based perspective in a model with the five forces, as exemplified by Campbell, Stonehouse, and Houston (1999).

Figure 1.7: The resource-based model of strategy.



Source: Adapted from Campbell, Stonehouse, & Houston, 1999, p. 125.

Other variations of the resource-based perspective exist, e.g. the knowledge-based view. Among other researches that further developed the resource-based approach, Prahalad and Hamel's (1990) study is possibly one of the best-known works on multinational corporations in the context of the resource-based view. Prahalad and Hamel (1990) underlined the importance of core competencies to companies. They regarded the competencies as the initial factor of business development of global competitive companies. A firm should use its core competencies, such as special access to markets, in order to produce core products and end products, which customers value. The differences should be inimitable. However, critics blame the resource-based perspective and its outcomes not to be a concept of strategy (Penrose, 1959; Wernerfelt, 1984; Prahalad, & Hamel, 1990; Porter, 1991; Rumelt, Schendel, & Teece, 1991; Peteraf, 1993; Foss, 1996; Campbell, Stonehouse, & Hill, Houston, 1999; Rugman, & Verbeke, 2002; Roos, 2005; & Hernández-Requejo, 2011).

1.7.1 Strategic management and global strategies

As explained in the beginning of this chapter, we only included works on management with a clear strategic approach, namely four studies in total. While Martinez and Jarillo (1989) centralized coordination mechanisms in multinational enterprises in their research, Jemison (1981) faced administrative behavior in general, and Rumelt, Schendel, and Teece (1991) analyzed the relationship to economics. Later studies (e.g. Collins, & Porras, 1996) focused mission and vision research and explain that these core ideology definitions help the company to achieve superior long-term performance. Chang and Singh's (2000) study on business strategy further adds the importance of differences between small business units and firm size. This leads to globalization/internationalization and strategy.

Although the debate on globalization with respect to strategy had originated in the 1960s, it gained new importance in the 1990s and after the millennium. We will neglect the history of the development of globalization and internationalization, respectively, here. ¹⁰ Overall, our systematic literature review includes seven studies on globalization/internationalization and strategy. However, Tapscott (1997) appealed to consider the changing, dynamic business environment. The new economy forces companies to adapt their strategy: Murray (1988) saw globalization as a factor that raises competitive intensity and reduces a company's strategic choices. In the 1990s, international strategies became of special interest, as more and more companies operated internationally and globally. Companies faced similar, but also new problems: Companies had to find a balance between cost pressures and local responsiveness while also including a multitude of political frameworks, developments, and other nation characteristics into their thoughts. Discussions occurred with respect to the question of where decisions about products are made (in headquarter or in the subsidiaries) and whether and to what extent customer interests and world needs homogenize. Dess et al. (1995) defined international strategy to be a third dimension of strategy research, next to corporate and business strategy (Fayerweather, 1969; Doz, 1980; Levitt, 1983; Kogut, 1985; Douglas, & Wind, 1987; Murray, 1988; Allio, 1989; Prahalad, & Hamel, 1990; Melin, 1992; Rennie 1993; Dess et al., 1995; Lane, 1998; Tapscott, 1997; Knight, 2000; Yip, 2000; Yip,

Gabrielsson (2004), and Laanti, Gabrielsson, and Gabrielsson (2007).

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and

For further information, please see Martinez and Jarillo (1989), Luostarinen

Biscarri, & Monti, 2000; Svensson, 2001; Ghemawat, 2003; Tse, & Soufani, 2003; Clark et al., 2004; Hill, & Hernández-Requejo, 2011).

Regardless of the question of where decisions about products are made (in headquarter or in the subsidiaries), some strategies emerged. Levitt (1983), for example, distinguished between multinational or global corporations and regionally acting companies. Multinationals adjust their offers to the countries they operate in, whereas global corporations perceive the world as a whole market (Levitt, 1983). Prahalad and Hamel (1990) claimed that focusing on core competencies in enterprises is of most importance. Yip (1995) summarized four factors that are of interest when analyzing a company's industry globalization potential.

We opted for Hill and Hernández-Requejo (2011) to show the new dimension of strategy. Hill and Hernández-Requejo (2011) explained the existence of four basic strategies in 2011. They categorized the strategies with respect to pressures for cost reductions (low or high) and pressures for local responsiveness. (1) The global standardization strategy is defined by companies that pursue a low-cost orientation. Standardized products, R&D, and marketing are pursued and thus learning effects and economies of scale occur. Pressures for cost reductions are high, whereas those for local responsiveness are low. (2) Companies following an international strategy offer core products that are somehow locally customized. Cost pressures as well as pressures for local responsiveness are hence relatively low. (3) The transnational strategy, as the global standardization strategy, focuses low costs. Responsiveness for local needs is simultaneously followed. Thus, different products are offered in different geographic markets. (4) By centering high local responsiveness, the localization strategy concentrates on local preferences and tastes. Customized goods and services are provided, and pressures for cost reductions are low (Hill, & Hernández-Requejo, 2011). Douglas and Wind (1987) explained a continuum to be existent between pure standardization, a cluster of countries, and pure differentiation. They advise to standardize the products and to use hybrid and mixed categories. This standardization can be implemented in the field of marketing and production or by customer segments. In contrast, pricing or distribution policies are often separately organized in the respective countries. Mixed strategies could also be thinkable. A company can concentrate on global products while simultaneously delivering national and/or regional products. In this respect, Svensson (2001)

defined the term 'glocalisation' or glocal strategy. It is meant to be a combination of global actions with global thinking. Composed of the local, international, multinational, and global strategy approaches, the glocal strategy is intended to harmonize and optimize adaptation and standardization as well as homogenization and tailoring.

Ghemawat (2007) claimed that the assumptions of the 21st century, in particular that striking the right balance between responsiveness to local conditions and economies of scale misinterpret the opportunities of the globalized markets. Ghemawat (2007) thus proposed the AAA Triangle. With the AAA Triangle, Ghemawat (2007) aimed to approach global integration by focusing on the three types of global strategy, namely adaptation, aggregation, and arbitrage.

First, in the aim of adaptation, a company maximizes its local relevance in order to increase market share and revenues. Second, by balancing regional and global market presence by standardizations and centralizations, companies that aggregate try to push towards economies of scale. Third, the act of taking advantage of differences between markets is called arbitrage. Different parts of the company are located where it is most efficient. Combinations are hereby possible (Ghemawat, 2007).

In conclusion of the strategic management and globalization studies, they have in common that they emphasize the importance of integrating international orientation, coordination approaches, and the relationship to the enterprises surroundings in strategy models.

1.7.2 The Tableau de Bord and the Balanced Scorecard

The French Tableau de Bord is a tool to articulate and cascade a company's strategy. Developed in the 1950s by process engineers, managers increasingly used it in the 1990s. The Bord should help monitoring a business progress, comparing goals, and correcting actions. Epstein and Manzoni (1998) advised to implement a Tableau de Bord in each business unit. As the Tableau de Bord cannot provide an all-encompassing company overview, Kaplan and Norton (1992) enhanced the concept to be more complex and precise (Epstein, & Manzoni, 1998). Epstein and Manzoni (1998) declared the outage of traditional financial performance measures. According to them, the end of the industrial era made executives revising their

methods. Their concept of the Balanced Scorecard is a set of measures which enables managers to rapidly build a comprehensive plan of a company. With the help of this tool, an articulation and spread of key success factors and strategy should take place. On the one side, the aim is to achieve a balanced system of strategic goals. On the other side, these goals should be put into action (Crespo et al., 2009). Consequently, the scorecard serves as the linkage between a firm's long-term strategy and its short-term actions and might help clarifying and updating a firm strategy. The Balanced Scorecard includes four perspectives: The financial perspective that centers shareholders' interests, as well as three non-financial perspectives which support the financial outcomes. The first and second non-financial perspective includes customer relationships and internal business processes. The third non-financial perspective refers to improvements and innovation activities (also called learning and growth) that have to be equally considered to create sustainable value. These four perspectives are aimed to help the planner to translate, together with the mission, the Scorecard into specific objectives which can finally be measured. Especially globally-oriented and competing companies use the Balanced Scorecard to improve their corporate structure and the offered products, but also to evolve their strategy (Kaplan, & Norton, 1992, 1996; Epstein, & Manzoni, 1998).

Especially with respect to small businesses, the usage of the Balanced Scorecard in practice is yet seldom realized. Moreover, some scorecards do not focus strategy, and only a bundle of scorecards lead to strategy implementation. Besides these challenges, further industry differences exist (Crespo et al., 2009; Kaplan, & Norton, 1993, 1996, 2000). Summarizing the idea of the Tableau de Bord and the Balanced Scorecard, we suggest including financial aspects for shareholder's interests, and non-financial aspects, like internal business processes, customer relationship, and innovation.

1.7.3 Coopetition

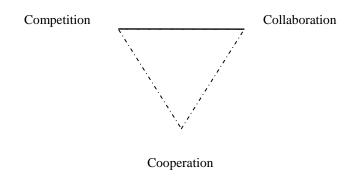
The 1980s were coined by competitive thinking in the field of strategy research. Cooperations were somehow seen as market failures (Jansen, 2000). Among the first to break with this idea were Nalebuff and Brandenburger (1996, 1997) who resisted the traditional view of winners and losers in competition and underlined the economics of the 1990s of being based on the idea that own success is only possible

where other companies are also successful. Nalebuff and Brandenburger (1996, 1997) hence proposed to enhance Porter's (1980, 1985) purely competitive concept by combining the notions of cooperation and competition in a new concept they coined 'coopetition.' Nalebuff and Brandenburger (1996, 1997) methodologically followed Porter (1980, 1985) by keeping the enterprise in the focus of their coopetition concept, which is based on the generic knowledge that had been accumulated in non-cooperative and cooperative game theory at that time. Resisting the purely competitive view that all interaction is a constant sum game and leaves players either in the role of the winner or the loser, they put emphasis on win-win situations, in which cooperation enhances the performance of all interacting partners. Now, the five forces that were only threatening in Porter's (1980, 1985) work were exposed in a more differentiated way. On the one hand, enterprises remained competitors in the contest for shares of the market rent. On the other hand, they could be partners in the creation of market rents.

Obviously, coopetition had a lot going for it in the booming 1990s. Global markets were growing (especially due to the enormous growth rates in the newly liberated European states and the BRIC), and enterprises found cooperation was a profitable way to increase production, extend global reach and share the market surplus. Joint-ventures and coproduction were similarly on the rise, and businesses grew by sharing knowledge, risks, and profits. Empirical evidence seemed to confirm that Porter's (1980, 1985) five competitive forces were tameable, just as Nalebuff and Brandenburger (1996, 1997) had suggested.

Polenske (2004) refined coopetition strategy and introduced the so-called uneasy 3C triangle. We include this model of the 21st century in this part, because of its logical link to coopetition. According to Polenske (2004), cooperation implements informal and formal arrangements that are mostly horizontal and external. Collaboration is an exclusive arrangement, such as joint-ventures. Figure 1.8 illustrates the uneasy 3C triangle.

Figure 1.8: The uneasy 3C triangle.



Source: Adapted from Polenske, 2004, p. 1031.

Polenske (2004) explained the sides of the triangle to symbolize relationships. Between competition and cooperation a relationship exists. The line can be lengthened or shortened, depending on the depth of the relationship. Yet there is no relationship between the other factors, demonstrated by dotted lines.

Summarizing the main idea on coopetition, we see competitive and cooperative behavior as important aspects for a new strategy concept.

1.8 Strategy research in the 21st century

After the turn of the millennium and with the advent of the second dotcom boom, globalization reached the consumers (Martinez, & Jarillo, 1989; Luostarinen, & Gabrielsson, 2004; Laanti, Gabrielsson, & Gabrielsson, 2007). Huge investments in the global electronic connectivity and the high degree of Internet availability at the household level created a direct link between suppliers and consumers worldwide. Knowledge and networks emerged as the essential competitive resources, forcing companies to rethink their strategies (Lane, 1998; Yip, 2000; Tse, & Soufani, 2003). International strategies reached intense attention since the 1990s. As a consequence, the necessity of global cooperation seemed to decline, as a few distinct enterprises tapped the massive network potential of the unified global market to control an entire segment. The immediacy of market control set off a new type of fierce competition, in which each brilliant new value creator (be it a product, a service, or a brand) almost instantaneously creates a new market dominating firm (if not a monopoly). This type of competition does no longer deal with striving for price

leadership or differentiation with a given product, it is rather about creating new products 'out of the blue' and totally dominating the new market that they generate.

Industries increasingly left the competitive thinking and the competitor's focus aside, and centered more the customers and their wants (see e.g. Woodruff, 1997; Jansen, 2000; Leavy, 2005). This resulted in a somehow inflationary usage of the word globalization and increased research on that topic (Jansen, 2000). However, compared to the 1980s and 1990s, only few new holistic strategy concepts have been developed between 2000 and 2010. We found fourteen studies that we implemented in our systematic literature review. Again, the research design was distributed nearly uniformly. We included four empirical works, five models, and six theoretical treatises into our analysis. Although the books that summarized existing strategy research arose after the turn of the millennium (see e.g. Hill, & Hernández-Requejo, 2011), we did not include those books into our analysis, because they did not add new strategy concepts to literature. Please see Table 1.7 for more details on the used literature.

Table 1.7: Strategy research in the 21st century.

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
2000	Chang,	Variance	Empirical	Business	SMJ	189
	& Singh	component analysis	work	Strategy		
		on relative				
		importance of				
		corporate effects,				
		industry and				
		business unit				
		effects, all three				
		depending on types				
		of criteria (whether				
		small business units				
		are included, firm				
		size, industry				
		aggregation)				

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
2000	Hunt, & Lambe	Contribution of marketing to business strategy	Theoretical treatise	Marketing	IJMR	213
2000	Knight	Entrepreneurship and marketing strategy, semi-structured interviews, questionnaire	Empirical work	Marketing	JIMK	468
2000	Teece, Pisano, & Shuen	Dynamic capabilities (assets) for developing a competitive advantage	Theoretical treatise	Competitiv e/coope- rative behavior	Chapter in book	17,342
2001	Bowman, & Helfat	Whether corporate strategy matters (yes), corporate management (strategic management) and corporate strategy contribute to corporate effects, Theoretical treatise, discussion of data and statistical issues; 10 variance decomposition studies and 3 studies on leadership	Theoretical treatise	Corporate strategy	SMJ	378

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
2001	Svensson	Combining local, international, multinational and global strategy approaches: glocalization	Model development	Globali- zation and strategy	MD	103
2002	Ghemawat	Historical perspective on business strategy and competition	Theoretical treatise	Business strategy	внк	233
2003	Ghemawat	Semiglobalization and international business strategy, global integration versus no total integration	Theoretical treatise	Globali- zation and strategy	JIBS	279
2003	Tse, & Soufani	Business strategy in small firms in global network economy, e-commerce strategies in light of virtualization, molecularization, disintermediation for creating competitive advantage, identify customers, locate market segment, understand dynamics of customer relationships	Model development	Business strategy	SBED	49

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
2004 a, b	Kim, & Mau- borgne	Blue ocean strategy, making rivals irrelevant by developing a blue ocean, value innovation	Model development	Innovation	HBR	> 600
2004	Polenske	Improving global competition by competitive, cooperative and collaborative aspects (3 c model)	Model development	Competitiv e/coope- rative behavior	RS	92
2005	Michie, & Sheehan	labor market flexibility and HR practices, interviews with 362 human resource managers of UK service- sector and manufacturing firms with >50 workers for hypotheses testing	Empirical work	Strategic HRM	IHRM	144
2007	Ghemawat	The AAA Triangle (adaptation, aggregation, arbitrage) for evaluating the international strategy	Model development	Globalization and strategy	HBR	103

Year	Author	Content	Method, measurement	Classifi- cation	Published in	Frequency of quotes
2008	Johnson, Christensen,	Model development for showing how to	Model development	Holistic model	HBR	639
	& Kager- mann	develop/reinvent a business model with four elements (customer value proposition, profit formula, key resources, key processes)	development	model		

Case studies nearly vanished in the 21st century. Since three empirical studies were published in the 21st century, we opted for six models that we see as being influential after the millennium. Theoretical research decreased to five works.

Kim, Yang, and Kim (2008) explained the decrease in strategy research by the fact that oversupplied industries make it hard for companies to survive on the market. Again, most researchers quoted Porter's work of the 1980s and intended to solve unanswered questions. What was new in the 21st century was the marketing focus on strategy. We excluded models that exclusively focus marketing strategy in our research, as explained above. However, Hunt and Lambe (2000), cited more than 200 times, combined the marketing aspect with a whole business strategy. Knight (2000), quoted more than 450 times, added an entrepreneurial approach. Thus, the marketing aspect gains new importance to be implemented in a strategy model.

1.8.0 Breaking with the traditional thinking of competitive advantage

Teece, Pisano, and Shuen's (2000) study on competitive and cooperative behavior was cited more than 17,000 times. They gave a theoretical insight on competitive advantage developed by dynamic capabilities or assets. Whereas Teece, Pisano, and Shuen's (2000) still hinted to competitive advantage, they also pinpointed to flexibility in a strategy concept.

By recognizing that the global game had changed, Kim and Mauborgne (2004 a, b) presented their 'blue ocean strategy'. Blue ocean strategy belongs to the most influential concepts of the 21st century (Wubben, Düsseldorf, & Batterink, 2012), because the authors are seen as pioneers. Kim and Mauborgne (2004 a, b) basically conjectured that fighting incumbents in a fully networked and globalized market is a waste of resources and cooperation is a lost cause. Hence, Kim and Mauborgne (2004 a, b) concluded that market survival can only be achieved through radical innovation by searching outside the conventional boundaries of an industry to find unoccupied territories. In these territories, 'value innovation' takes enterprises beyond competition and cooperation, particularly into a zone in which competitors are irrelevant, and consumers are immediately in touch. Thus, value innovators only concentrate on those factors of a product, service, or brand that deliver superior value to customers (Kim, & Maubourgne, 2004 a, b; Leavy, 2005).

Obviously, the blue ocean strategy and the concept of value innovation are also enterprise-centered, following the lead of e.g. Porter (1979, 1980, 1985, 1987) and Nalebuff and Brandenburger (1996, 1997). Unlike earlier studies, Kim and Mauborgne's (2004 a, b) ideas are derived from innovation economics that has dominated much of the research on market competition in the 2000s. The blue ocean strategy allows enterprises to break the conventional trade-off between cutting cost and enhancing value, much as strong network effects can exclude competition and reduce the need for cooperation.

To be more precise, Kim and Mauborgne (2004 a, b) introduced the Four Actions Framework as a guideline, including the actions 'eliminate,' 'reduce,' 'raise,' and 'create'. Value innovators should focus only on those factors of a product or a service that deliver superior value to customers. Other factors should be reduced or eliminated, regardless of common industry factors. High potential companies start anew and reallocate their capabilities and assets if necessary. Thus, these companies frequently break the established, conventional boundaries of an industry in order not to be copied by imitators and to build a new niche or a total new industry. Moreover, steady operational improvements and a geographic expansion with a brand guarantee long time success and economies of scale (Kim, & Mauborgne, 2004 a, b, Kim, Yang, & Kim, 2006). Yang and Yang (2011) criticized the concept to be too vague, as it is often not obvious, which factors to change (Yang, & Yang, 2011).

Kim, Yang, and Kim (2006) censured the concept as only few practical guidelines develop after the model implementation. Besides, the blue ocean strategy is less detailed than other frameworks (Wubben, Düsseldorf, & Batterink, 2012).

However, in contrast to the foregoing holistic approaches, e.g. by Porter's (1980, 1985) competitive strategy and Nalebuff and Brandenburger's (1996, 1997) coopetition strategy, the blue ocean strategy only applies to a restricted set of market situations. Wubben, Düsseldorf, and Batterink (2012) explained the blue ocean strategy to be the first that can be used ex ante. With their focus on the customers' needs, Kim and Mauborgne (2004 a, b) satisfied the wants of the customer-oriented industries (Wubben, Düsseldorf, & Batterink, 2012) in different markets and different company sizes (Lindič, Bavdaž, Kovačič, 2012).

However, their concept centers a new aspect, namely value innovation. It thus breaks with trade-offs between cost and value and the dilemma of being stuck in the middle (Kim, & Mauborgne, 2004 a, b). Kim and Mauborgne (2004 a, b) combined low-cost and differentiation strategy (Butler, 2008), and clearly hinted to the aspects costs, customers, and innovation in a strategy model.

Johnson, Christensen, and Kagermann (2008) added a theory on the creation of a successful business model. According to them, with the help of key resources, key processes, and a successful profit formula (including a revenue model, a cost structure, a margin model and resource velocity), enterprises can achieve a customer value proposition.

markets that are settled in long-term competitions between competitors that are basically too large to die.

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¹¹ A radical interpretation of the blue ocean strategy may be that firms should leave the markets, in which there is competition and seek only to be active in those markets, where they are alone. While this – in a way – can be viewed as a holistic approach, it certainly is too extreme for a plethora of markets that are settled in long term competitions between competitors that are beginning too.

1.9 The missing peace: A holistic strategy concept for the 21st century

Summarizing the literature from our systematic literature review, it becomes evident that there is some open space left for research that provides a holistic strategy concept that integrates competition, cooperation, innovation, and the dramatic network effects of consumer globalization. Koo, Koo, and Luk (2008) specified that until 2008, strategies only partly satisfy strategic approaches of the 21st century.

Based on the analysis above, we can say that a new strategy concept that fits to globalized markets will have to include the following aspects: Financial and non-financial aspects, internal and relationship aspects, production aspects, and a certain degree of flexibility in a strategy concept with interwoven aspects. Moreover, such a strategy concept has to fit to international corporations, but should also help to divide the problems into subunits.

For internal aspects, we detect aspects like product quality, innovation, costs, and corporate diversity. We further identify the importance of an articulated internal image as well as administration, and the way employees interact.

For the production aspects, we recognize production itself, R&D, services, HRM aspects, the managers tasks, organizational and coordination conditions, like internal business processes.

For relationship aspects, we locate works on competitive as well as cooperative behavior, acquisitions, vertical integration, and thus supplier relationship. We further find studies that focus marketing and the relationship to the customers, relationship to shareholders, including financial condition in general.

Considering these aspects, we will first exemplify a new holistic strategic framework that defines global business strategy today. Then, we will conduct an analysis of the corporate communication of a sample of globally operating enterprises and create strategy profiles for each of these firms. Finally, we will survey the analyzed corporations by asking their public relations officers to which extent they agree with the strategy profiles that we have created and whether they correspond to their actual corporate strategies.

Chapter 2

2. The Power Network Concept: A modern strategy concept

"(...) the formulation of great strategies is an art, and it will always remain so."

(Kaplan, & Norton, 2000, p. 10)

2.0 Motivation

We concluded from our literature overview above that each of the strategy concepts provided so far has been a perfect fit for the business environment at the time it was designed. What is lacking, in our opinion, is a holistic strategy concept that fits to the current globalized network markets. While the globalization of the supplier networks in the 1990s increased the need for coordination in global partnerships and reduced the competitive pressure due to the enormous efficiency gains that cooperation induced, the globalization of the consumer networks has again increased competition. Since enterprises can now entertain immediate and direct links via electronic media to their global network of customers, any innovation can move within almost no time from the drawing board of the firm to the consumers' lists of desiderata. In fact, new products and services are advertised, discussed, and sometimes even sold through the direct link to the customer networks across all global time zones and markets. The power of information flow in these networks is perhaps most obvious, when hundreds of millions of consumers across the globe are introduced to a new gadget launched by Apple or a new service introduced by Google.

The information flow in the new media, however, is bidirectional. Not only enterprises can exploit the fast information dissemination via Internet, but also customers, governments, and even competitors. This means that any quality issues or irresponsible entrepreneurial actions can initiate a storm of complaint and negative publicity. Hence, strategies on the global stage need not only address

market communication for their products and services, but also a clear policy towards socially responsible behaviors and an internal and external communication of these measures. Finally, we find that competition, cooperation and innovation remain crucial elements of the strategy. Cooperation involves establishing efficiency and innovation advantages, while competition means passing parts of these advantages to the trading partners.

The Power Network Concept (PNC), graphically represented in Figure 2.1, combines the main elements of strategy in the globalized market. The PNC consists of 24 strategy aspects, of which 16 are internal aspects, defining the culture (the inner circle) and the actions (the outer circle) of the enterprise. All internal aspects are interconnected and originate in the entrepreneurial intention that establishes and drives the enterprise. The enterprise is obviously tied into an environment of outside relationships (the relationship frame), linking the enterprise to outside stakeholders (mutual interest sphere), trading partners (trading interest sphere), other enterprises (peer interest sphere), and the public (public interest sphere).

2.1 The inner circle – *Culture circle*

The culture circle consists of eight aspects that global enterprises explicitly or implicitly follow. The INTERNAL COMMUNICATION CULTURE, the WORK CULTURE, and the INCENTIVE CULTURE define the value of the enterprise's workforce. Usually defined in codes of conduct, these aspects of the strategy are meant to guarantee motivated employees and an enhanced productivity of the workforce. Typical examples for the INTERNAL COMMUNICATION CULTURE that we find in corporate communication documents are value statements such as 'respect,' 'trust,' and 'openness.' For the WORK CULTURE we find 'integrity,' 'positive working climate,' and 'being the best place for people to work.' For the INCENTIVE CULTURE we find terms such as 'being entrepreneurial,' 'offering monetary and/or non-monetary incentives,' and 'offering long term incentives.'

The INNOVATION CULTURE and the PRODUCT CULTURE are focused on the enterprise's attitude towards its products and/or services. In corporate communication we frequently find that terms such as 'innovativeness' and 'the

companies' aim to open new frontiers' define the former. The latter typically entails the enterprises' ideals concerning the value of the product or the brand to consumers.

The EXTERNAL COMMUNICATION CULTURE simply describes how the enterprise communicates the value of its services and/or products and their contribution to the well-being. The outcomes focus on customers in general, as e.g. 'Interacting with customers,' but also on the enterprise's role in a society, as e.g. 'Being a good corporate citizen.' Some outcomes more centralize the products, as e.g. 'Creating chemistry for a sustainable future.' The COST CULTURE defines the role of cost cuts and performance optimization. We find examples as 'being cost-competitive,' 'steadily optimizing costs' as well as more price-oriented terms as 'aiming at reasonable prices.' The GOVERNANCE CULTURE elucidates how an enterprise acts towards its financial stakeholders, achieves its goals (e.g. financial goals) and sustains its organizational values, as e.g. the statement 'Maintaining a clean organizational structure'.

2.2 The outer circle – *Action circle*

The action circle consists of eight aspects that describe what companies do to enter and persist on markets. The PRODUCTION aspect includes the place, the technology and all other technical and organizational aspects of the production process. If companies produce together with other enterprises, their joint-ventures and partnerships are defined under JOINT-PRODUCTION ASSEMBLY. The HRM aspect describes the enterprise's effort to develop human capital and to attract new employees. Among them we find 'being responsible to employees' as an example of enterprise-employee relationship and 'attracting and developing the best talents' as an example for sourcing and training. Innovation activities are described in the R&D aspect that may involve internal activities and/or external cooperation with other companies or research institutions. The SERVICE aspect encompasses both, the service provision as the main offering and as an add-on to products: 'Delivering services that meet expectations' and 'Offering related services,' just to show a few. The SALES aspect not only defines the immediate sales activities (e.g. targeting

segments, delivering, and contracting), but also includes all customer relationship management activities that are meant to bind customers to the enterprise.

Not all companies unambiguously explain the internal cost structure, but ACCOUNTING is important to work efficiently on a market or to ensure sustainable profitability. EXECUTIVE MANAGEMENT guarantees that the enterprise stays and acts on the market. In this respect, most companies characterize their self-understanding, as e.g. being a global actor or leader. Some foster growth or standardization. Others show their position in reference to third parties, as e.g. by fair competition.

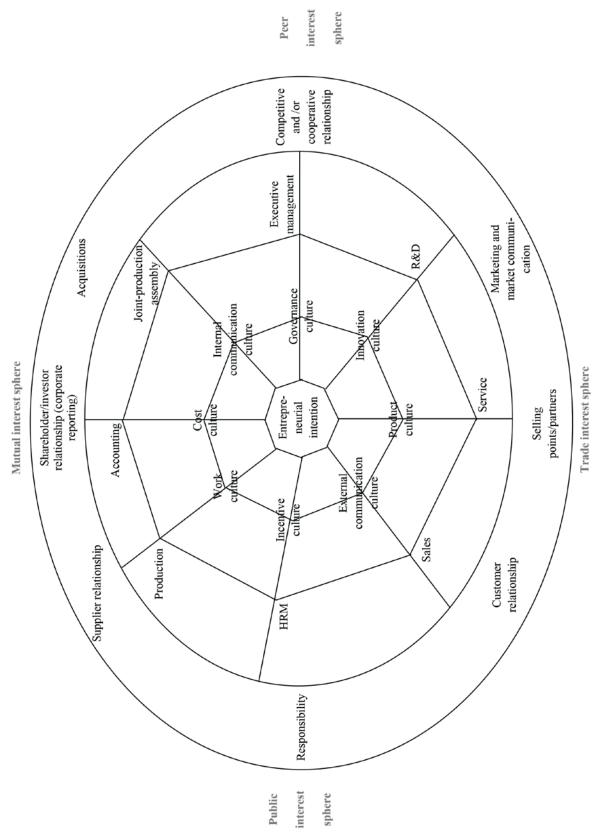
2.3 Relationship Frame

The relationship frame shows an enterprise's connections to third parties that can be grouped into four interest spheres. In the mutual interest sphere, we find SHAREHOLDERS/INVESTOR RELATIONSHIPS, who obviously have financial stakes in the enterprise. Similarly, we can assume a mutual interest between the enterprise and its regular suppliers (SUPPLIER RELATIONSHIP) that cooperatively ensure consistent quality in supply. In some industries, mergers and ACQUISITIONS are initialized to grow a business.

In the peer interest sphere, we find the enterprise's COMPETITIVE AND/OR COOPERATIVE RELATIONSHIPS to other enterprises. The public interest sphere contains the enterprise's RESPONSIBILITY with respect to social, environmental and other public interest aspects. Most companies give comprehensive insight on their social and environmental responsibility, describing projects in detail on their websites and in their CSR reports.

In the trade interest sphere, we summarize three aspects of the strategy that are related to the market. To convince potential and existing customers of their products and services, enterprises describe how the pursue MARKETING AND MARKET COMMUNICATION via regional or global marketing as well as brand building. The SELLING POINTS/PARTNERS aspect defines the enterprise's distribution system. The CUSTOMER RELATIONSHIP aspect completes the PNC. It defines how enterprises gain information about their customers' preferences and how they foster the trade relationship.

Figure 2.1: The Power Network Concept.



2.4 Case examples

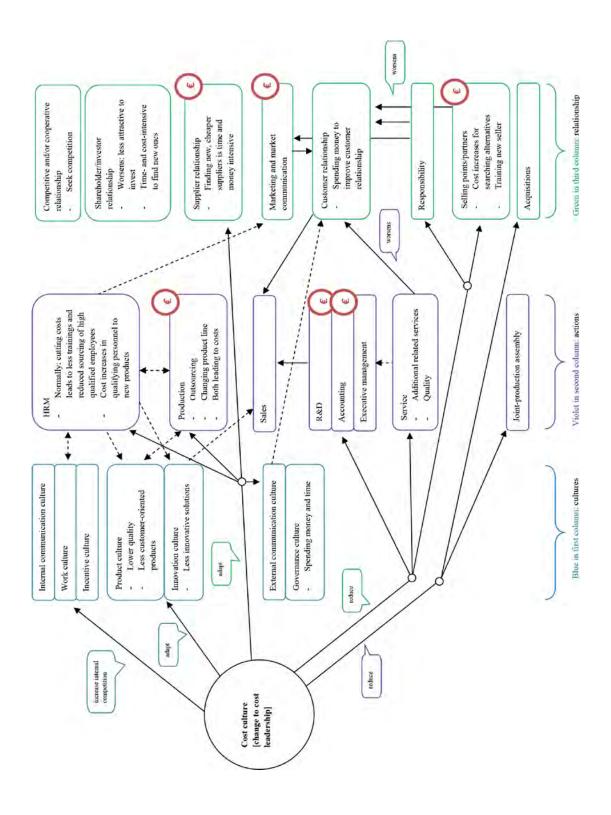
To show the holistic aim of the PNC, this part summarizes three case examples. We first examine cost culture changes, leading to a cost leadership strategy and a differentiation strategy. We then explain a change in competitive behavior, basing our analysis on the idea of the coopetition strategy. Finally, we show an innovation culture change, hinting to blue ocean strategy,

2.4.0 Case example: Cost culture change to cost leadership

Porter's (1980, 1985) generic strategies belong to the most cited concepts to date (see e.g. Chrisman, Hofer, & Boulton, 1988). In the original form, Porter (1980, 1985) does not explore the effect of the generic strategies on all internal and external aspects of a business in detail. Take the generic cost leadership strategy, for example. Obviously, Porter's (1980, 1985) central aspect is that cost leadership can only be achieved by completely changing cost culture. In the following, we will use the PNC to show that a change in the cost culture has effects throughout the network including direct and indirect effects in the action circle, where the indirect action effects are caused by changes of the other variables in the culture circle. Figure 2.2 visualizes how the PNC helps to identify the full range of change effects that are partially straight forward, but in other parts unexpected.

Imagine, an enterprise decides to attain cost leadership (COST CULTURE). This results in cost cuts in all aspects but will lead to differing, partly unexpected effects, as the following example shows.

Figure 2.2: Changing cost culture to cost leadership in the PNC.



Regarding the internal culture aspects, visualized with blue borders in the first column in Figure 2.2, cost leadership suggests the following changes. Cost cuts in the INTERNAL COMMUNICATION CULTURE and in the WORK CULTURE will generally lead to a decline of employee satisfaction (HRM). The effect of cost leadership on the INCENTIVE CULTURE may vary. On the one hand, if the enterprise previously provided many fringe benefits and perks to incentivize employees, cutting the cost may lead to a decline of employee satisfaction. On the other hand, if no productivity incentive whatsoever was provided, decreasing production cost may involve changing the incentive culture to one with internal competition. Cost cuts may decrease customer satisfaction due to a slowdown in innovation and quality, i.e. a change in PRODUCT CULTURE 12 and INNOVATION CULTURE, the latter having a negative impact on SALES. As spending for EXTERNAL COMMUNICATION (CULTURE) will also be minimized, the enterprise may exclusively concentrate on price communication and thus potentially loose existing customers due to a decrease in corporate and product image campaign. One way to solve this conflict is to increase the budget for MARKETING AND MARKET COMMUNICATION, at least for the time immediately after the strategy adoption. Finally, increased effort will be necessary to adapt the GOVERNANCE CULTURE to the changes caused by cost leadership.

Figure 2.2 shows the elements of the action circle aspects of the PNC with violet color in column 2. We suggest that cost leadership will lead to a restructuring of PRODUCTION, for example by outsourcing internal services and production. Furthermore, cost leadership may lead to a decreased product range. Evaluating the most efficient products and finding adequate producers may take time and thus result in costs of screening and adaptation of PRODUCTION. The changes in PRODUCTION are costly and further influence HRM. Outsourcing may lead to a decrease of the workforce, of the quality of training and of general working conditions. These HRM changes can have a feedback effect on the INCENTIVE CULTURE and the WORK CULTURE, but also on INNOVATION CULTURE and the PRODUCT CULTURE of the enterprise. A decrease of quality of training further influences SERVICE and R&D. Consequently, innovative growth as the engine of an enterprise is diminished as e.g. growth potential analyses are cost intensive. This

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¹² Assuming the enterprise produces products or brands. Pure service companies might experience no changes in product culture, production and/or joint-production assembly.

again leads to a decline of SALES. Especially additional related customer SERVICES as well as service quality will be reduced which has an influence on e.g. CUSTOMER RELATIONSHIP. Less contact to customers due to cost cuts in customer services might hence make it difficult to evaluate the customers' wants. In addition, less training combined with outsourced business functions, might result in a minimization of internal R&D efforts. However, as innovation is a crucial aspect in the global network economy, expensive external solutions must be acquired to enable successful competition.

The enterprise may also search for external solutions in the field of ACCOUNTING. These alternatives might lead to short-term cost cuts but we expect long-term cost increases due to control costs. Partnerships as joint-ventures (JOINT-PRODUCTION ASSEMBLY) will also suffer from cost cuts.

The relationship aspects of the PNC are framed in green color in the third column of Figure 2.2. Cost cuts might have the following effects on the mutual interest sphere: SHAREHOLDER/INVESTOR RELATIONSHIPS can suffer from cost cuts, on the one hand. It might be less attractive for existing shareholders to further invest in the enterprise after its strategy change. Finding new investors is time- as well as cost-intensive. On the other hand, shareholders might be interested in cost leadership strategy, because the internal overhead is reduced and the outcomes turned to shareholders as profits.

Cutting prices of existing suppliers (SUPPLIER RELATIONSHIP) to minimize costs might result in the end of long-term contracts. Finding alternative and cheaper suppliers causes search costs. Having found new suppliers, the enterprise has to test potential new resources regarding quality and compatibility which again results in an increase of costs. In regards to ACQUISITIONS, the enterprise might minimize spending. This influences growth and innovativeness of an enterprise.

Concerning the peer and the public interest spheres, cost leadership might lead to a competitive advantage in prices (COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP) which is obviously left to be questioned whether being enduring. At the same time, spending on RESPONSIBILITY will be reduced which might have negative effects on the trade interest sphere (CUSTOMER RELATIONSHIP, MARKETING AND MARKET COMMUNICATION) and on corporate citizenship as spending in RESPONSIBILITY is

nowadays expected (Curbach, 2009). Cost cuts in regards to SELLING POINTS/PARTNERS will decrease the amount of sales personnel. This decrease will lead to a simultaneous increase of costs by searching for alternative sales channels and training the new sellers. Here, a conflict occurs, as we assumed above that trainings shall be decreased due to cost cuts.

Summing up the short case study of changing cost culture to cost leadership by cutting costs, we can conclude that the PNC shows the outcomes in more detail than foregoing concepts could do. In fact, changes have effects throughout the network including direct and indirect effects. We visualized the unexpected cost effects with a "€" in Figure 2.2 just to show a few outcomes on hand. Thus, besides structuring and visualizing the complexity of possible changes of cultures, actions and relationships, the PNC enables to see cost increases where cost cuts are aimed at. One can use the PNC to find a sensible cost cutting strategy that fits to the enterprise's wants.

2.4.1 Case example: Cost culture changes to differentiation

Following the above précised results of changing cost culture to cost leadership, we can summarize that the PNC as a holistic concept copes with today's global network economy and helps the so-far existing strategy concepts adapting to today's markets. The PNC is a helpful tool to structure changes, as e.g. cost culture to cost leadership without unwanted effects. We suggest to first recapitulating about whether cost cuts and thus price cuts lead to an enduring competitive advantage. If so, the first step should be to work out a customer relationship strategy and to evaluate the needed amount of spending for communicating cost leadership and strategy changes to customers, but also to employees. Following Kim and Mauborgne's (2004 a, b) value innovation idea, one should be aware of what customers really want. Consequently, new suppliers, new PRODUCTION possibilities as well as new SELLING POINTS/PARTNERS should be discovered and R&D, ACCOUNTING, and EXECUTIVE MANAGEMENT should be adapted to the new cost leadership strategy. These changes will all be cost intensive. Thus a cost-benefit equation which anticipates the outcomes is the most important aspect before any changes are carried out. Finally, JOINT-PRODUCTION ASSEMBLY and ACQUISITION strategies could be eliminated to save costs – but not without having a look on possible side effects.

As explained above, a second possibility to act competitively on a market is differentiation, as Porter (1980, 1985) exemplified. In this part, we will shortly pinpoint some aspects to complete the example on differentiation. The main aim of differentiation is to differentiate from competitors in PRODUCT quality and/or range (PRODUCT CULTURE) and SERVICE by e.g. innovating (INNOVATION CULTURE). The aim is to optimize SALES with an enduring competitive advantage (COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP).

This can be achieved by improvements, enabled by spending money. In fact, changing COST CULTURE to differentiation would have contrary effects in the PNC compared to a change to cost leadership: We suggest investing in all parts (instead of decreasing spending) and to inform employees, customers and shareholders of the changes by adapting GOVERNANCE CULTURE, ACCOUNTING, as well as EXECUTIVE MANAGEMENT and using MARKETING AND MARKET COMMUNICATION to implement the new strategy of differentiation. Employees can be informed with the help of INTERNAL COMMUNICATION CULTURE about changes in WORK CULTURE and/or INCENTIVE CULTURE and HRM. EXTERNAL COMMUNICATION CULTURE, CUSTOMER RELATIONSHIP, and SERVICE adaption might help the enterprise to inform customers, but also shareholders (SHAREHOLDER/INVESTOR RELATIONSHIP) of the changes. Thus, all culture aspects might have reverse effects to the ones in the cost cutting example. Regarding the remaining action and relationship aspects, we suggest the following changes: Instead of eliminating e.g. JOINT-PRODUCTION ASSEMBLY and ACQUISITION strategy, one possibility is to invest in these aspects to innovate and to grow. Besides, finding new suppliers with better raw materials might lead to an increase of product quality. Long-term contracts could lead to a better SUPPLIER RELATIONSHIP.

Adapting and changing PRODUCTION and HRM is needful in order to adjust to differentiation and high quality standards. Investments into R&D will help the enterprise to establish an enduring COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP. Increasing spending in SELLING POINTS/PARTNERS and RESPONSIBILITY might improve the CUSTOMER RELATIONSHIP and thus have an opposite effect than cost cuts. The PNC again helps to structure the planned changes and to evaluate sensible changes.

2.4.2 Case example: Competitive behavior change to coopetition

After the short presentation of cost culture changes in the PNC which was based on Porter's (1980, 1985) thoughts of the 1980s, we will now come to the 1990s. We chose coopetition of Nalebuff and Brandenburger (1996, 1997) as a second example to be shown in the PNC. This concept belongs to the most influencing ones of the 1990s and is based on game theory (see e.g. Gnyawali, & Park, 2011). In their work of 1996 and 1997, Nalebuff and Brandenburger mainly highlight the actors and their interactions and relationships on the market. Coopetition strategy does not consider all internal and external aspects of a business in detail. Therefore, we decided to visualize direct and indirect effects of a change in COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP to coopetition in the PNC. We assume that beforehand, the enterprise in question was a mainly competitive actor on the market. Consequently, coopetition will lead the enterprise in question to additionally focusing on partnering with its competitors. Figure 2.3 visualizes the example.

We analyzed seven central possibilities to partner with former competitors, marked with a "P" in Figure 2.3. These are three aspects of the outer circle, as partnering in the field of PRODUCTION, R&D, and SERVICE as well as four relationship links, as partnering in regards to SUPPLIER RELATIONSHIP, MARKETING AND MARKET COMMUNICATION, RESPONSIBILITY, and SELLING POINTS/PARTNERS, all seven to be further elucidated in the following. It should be noted that the enterprise that decided to change its strategy can choose one or several of the seven possibilities of partnering with competitors.

۵ Green in third column: relationship Spending money to communicate coopetition, partners Communicate partnerships Shareholder/investor relationship Marketing and market communication Customer relationship Selling points/partners Supplier relationship Responsibility Acquisitions inform increase ۵ Violet in second column: actions Working together with Larger volumes and/or greater profit margins Joint-production assembly Executive management partners Production Service R&D HRM Sales Blue in first column: cultures External communication culture internal communication culture Product culture
- Changing product
variety/quality Governance culture Innovation culture work closes together/partner incontive entities Work culture Cost culture work closer together/partner Ideba

Competitive and/or cooperative relationship [change to coopetition]

Figure 2.3: Changing competitive and/or cooperative relationship to coopetition in the PNC.

With respect to the culture links, illustrated in the first column of Figure 2.3 and marked with blue color, the PNC suggests the following changes. There is no elementary influence of a strategy adaptation to the four culture aspects Internal communication culture, work culture, incentive culture and cost culture. However, one interpretation could be that working together with other companies might lead to more job variety and thus motivate employees. This effect is not visualized in the figure as we feel it to be relatively vague. Besides, external communication culture as well as innovation culture are not directly influenced by the strategy change. We will come to the indirect changes caused by action links in the next paragraph. Two culture aspects are directly altered by a strategy change. No matter in which way the enterprise partners, it has to adapt its governance culture. A change in the competitive and/or cooperative relationship might further lead to an adaptation of product culture. Product's quality or the product range might transform due to partnering with other companies. 13

We visualized the action circle aspects with violet color in column 2 of Figure 2.3. We find no important changes in two action circle aspects. These are HRM and ACCOUNTING. However, a closer co-work with competitors in the field of PRODUCTION is one thinkable option for the enterprise that changes its strategy to coopetition. This change in PRODUCTION could lead to a JOINT-PRODUCTION ASSEMBLY, but also to less formal cooperation. Both aspects might influence PRODUCT CULTURE due to product changes in variety or quality, altering SALES. Besides or instead of, the enterprise in question could partner in the field of R&D which would have a feedback effect on INNOVATION CULTURE. Becoming more innovative has a positive impact on SALES assuming that the enterprise changes in the way that customers value. However, as coopetition includes cooperation with simultaneous competition, the parallel competition might also lead to changes in INNOVATION CULTURE. To be more precise, companies might be forced to differentiate from their competitors to stay competitive on the market. We further suggest that working closer together with competitors in the field of SERVICE will have an impact on CUSTOMER RELATIONSHIP. On the one hand, partnering with a

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¹³ Assuming the enterprise produces products or brands. Pure service companies might experience no changes in product culture, production and/or joint-production assembly.

competitor that customers value might lead to a better customer relationship. On the other hand, the opposite effect could occur. What remains to be done in all cases is informing the customers about partnerships. No matter which of the three action circle aspects the enterprise chooses to cooperate in, it has to adapt its EXECUTIVE MANAGEMENT.

The relationship frame can be seen in the third column of Figure 2.3, framed with green color. Two aspects are not influenced by a strategy change. Both belong to the mutual interest sphere. These are SHAREHOLDER/INVESTOR RELATIONSHIP and ACQUISITIONS. We suggest that the enterprise that decided to follow coopetition strategy should evaluate how a closer relationship to suppliers (SUPPLIER RELATIONSHIP of the mutual interest sphere) and/or SELLING POINTS/PARTNERS (of the trade interest sphere) might have a positive effect on the business. Both depend on the existing contracts and structures of the enterprise. Partnering with suppliers might have two outcomes: First, costs can be reduced by partnering which leads to savings in producing. Second, communicating the partnering with suppliers or SELLING POINTS/PARTNERS might again influence CUSTOMER RELATIONSHIP as the partners might be valued by the customer. However, again, the reverse effect is thinkable. An additional possibility for the enterprise is to cooperate in the public interest sphere, namely in RESPONSIBILITY. This partnering could influence CUSTOMER RELATIONSHIP due to valued responsible actions. Partnering in the field of MARKETING AND MARKET COMMUNICATION (trade interest sphere) will have a feedback effect on EXTERNAL COMMUNICATION CULTURE as this culture should be adapted to the partnering in the field of marketing. Independently of a possible cooperation in the field of MARKETING AND MARKET COMMUNICATION the enterprise should communicate the strategy changes with the help of marketing campaigns and EXTERNAL COMMUNICATION CULTURE to keep its customers informed. This will have a positive effect on the third aspect of the trade interest sphere, namely CUSTOMER RELATIONSHIP. As explained above, partnerships with companies being valued by customers and communicating these cooperations can be a positive signal to buyers. The short summary above shows that coopetition strategy is vaguer than changes in cost culture to cost leadership or to differentiation. In contrast to the changes of COST CULTURE, a change in COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP has either no impact on the culture links or an indirect one. Just two culture aspects are

directly influenced, namely GOVERNANCE CULTURE and PRODUCT CULTURE. The former has to be adapted independently of the chosen change. For the action circle and the relationship frame, also two aspects remain unchanged after a strategy adaptation. What can be concluded is that the enterprise in question can decide where to increase partnering while simultaneously competing. All combinations of changes are thinkable and the PNC helps visualizing these possibilities. We suggest adapting EXECUTIVE MANAGEMENT as well as MARKETING AND MARKET COMMUNICATION to the changes to optimize the results – independently of whether cooperations in the two aspects exist. Again, a cost-benefit equation is a helpful tool to evaluate which modifications are the most efficient and whether they lead to an enduring competitive advantage of the enterprise on the market. The example shows how the shift from competition to coopetition in the 1990s might have affected enterprises. Globalization as a business-to-business phenomenon was clearly on its way. Culture aspects and consumers are hardly and if, not directly, influenced by changes in COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP. The example shows one more time that existing strategy concepts can be the basis for developing a strategy that fits to the 21st century. It is the PNC that helps structuring and visualizing the changes and adapts them to today's globalized markets.

2.4.3 Case example: Innovation culture change to blue ocean strategy

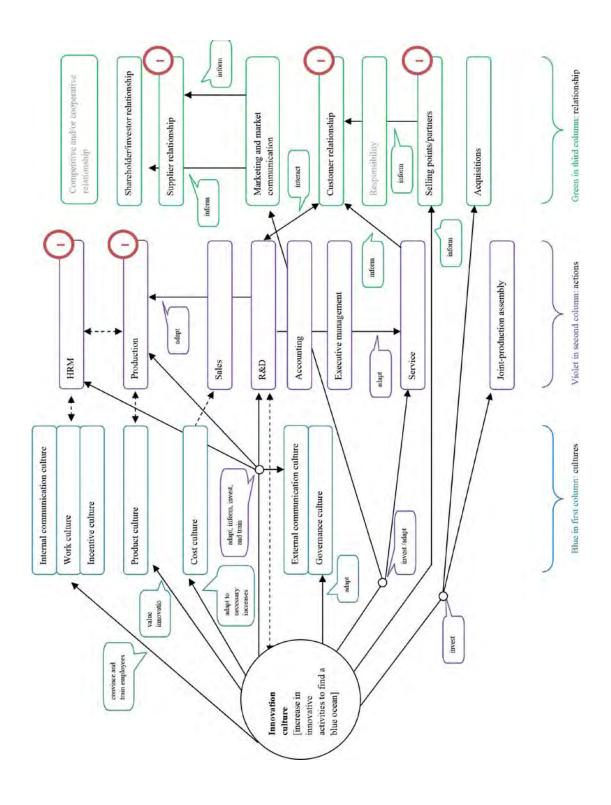
In the 21st century, globalization reached the consumers. Blue ocean strategy was developed by Kim and Maubourgne (2004 a, b) to find strategic answers to the changing markets after the millennium. The authors' central belief is that an enterprise should focus on value innovation and try to find unoccupied territory outside the conventional market boundaries. By focusing on those aspects of a product, service, or brand that customers value most, an enterprise develops a so-called *blue ocean* that is an enduring own market set aside from competition and competitive thinking. As the blue ocean strategy is primarily about being innovative, it represents a change in innovation culture within the PNC framework. In the following, we use the PNC to show the consequences of the adoption of a blue ocean strategy. Figure 2.4 visualizes the direct and indirect effects of the blue ocean strategy adoption in culture circle, the action links and the relationship frame.

Imagine an enterprise wants to change INNOVATION CULTURE by increasing innovative activities to find a blue ocean within the product or service range. In the

following, we summarize our expected changes in the different PNC aspects. We implemented an "I" where we suggest the enterprise should lay a focus on when innovating: These are the PNC aspects HRM and PRODUCTION of the action links as well as SUPPLIER RELATIONSHIP, SELLING POINTS/PARTNERS, and CUSTOMER RELATIONSHIP of the relationship frame, all to be further elucidated in the following.

The strategy change might have the following effects on the culture aspects, visualized with blue borders in Figure 2.4. The enterprise should invest in, inform, and train employees for adapting the INTERNAL COMMUNICATION CULTURE, WORK CULTURE, and INCENTIVE CULTURE. These three culture changes influence HRM which is one of the five aspects being marked with an "I". Changing INNOVATION CULTURE implements that the workforce has to be convinced about the new strategy and trained accordingly with the help of HRM activities. HRM belongs to the five aspects the PNC suggests to focus on when changing to blue ocean strategy. Investing into the EXTERNAL COMMUNICATION CULTURE to inform the customers might be a costly event but will help to communicate the strategy change. The costs might increase due to spending for the new strategy implementation of all changes in the links and COST CULTURE changes accordingly. Second to the COST CULTURE, the GOVERNANCE CULTURE has to be adapted, no matter which other changes occur in the PNC. The PRODUCT CULTURE is influenced by PRODUCTION adaptation, to be further explained in the following.

Figure 2.4: Blue ocean strategy adoption in the PNC.



In Figure 2.4, the action links are framed with green colour in the second column. A strategy change of INNOVATION CULTURE already implements an adaptation of R&D activities. Only where external or internal R&D is centred, a blue ocean can be implemented. Therefore, it might be useful to interact with the customers for finding out which changes they value and to guarantee value innovation. The PNC thus suggests an interaction between R&D and CUSTOMER RELATIONSHIP. In order to guarantee a full implementation of the strategy changes, the enterprise might invest in HRM to inform and train its employees, as exemplified above. Next to HRM, where the enterprise should lay a focus on when innovating, PRODUCTION is marked with an "I" in Figure 2.4. Following the blue ocean strategy, PRODUCTION¹⁴ should be adapted to produce those products and brands that are valued most by customers. This might include a change in product range or quality which then results in changes in the PRODUCT CULTURE. One possible option is to produce customer-oriented products, depending on what customers value most. This can be evaluated by an interaction with CUSTOMER RELATIONSHIP and R&D. Another possibility could be to further invest in new JOINT-PRODUCTION ASSEMBLY which might help the enterprise to steadily innovate by these inputs. The PNC also suggests investing in SERVICE options. For example, implementing additional related services and/or adapting service quality might help to inform the customers and to strengthen CUSTOMER RELATIONSHIP. These changes are cost- and time-intensive and have to be planned in advance. Otherwise, SALES might decrease if the product, brand, or service changes are not communicated sufficiently. ACCOUNTING and EXECUTIVE MANAGEMENT have to be adapted by the enterprise in question. Especially the latter influences SALES and should be adjusted no matter which other aspects change.

The relationship aspects are framed with violet colour in Figure 1.4 and can be found in the third column of the figure. The PNC suggests no needful changes in the public interest sphere, namely at RESPONSIBILITY. In regards to the mutual interest sphere, investing into ACQUISITIONS might help to innovate and to find new blue oceans. If any change is made in PRODUCTION, new raw material is needed. One possibility to sourcing is to deepen the relationship with existing suppliers by buying

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¹⁴ Assuming the enterprise produces products or brands. Pure service companies might experience no changes in production and/or joint-production assembly.

the new inputs there. Another way could be to search new suppliers for the new inputs. Both sourcing possibilities have an influence on SUPPLIER RELATIONSHIP. We marked SUPPLIER RELATIONSHIP with an "I" as we find it important to lay a focus on sourcing when innovating. The enterprise should inform its shareholders about the costs and effort on finding a blue ocean. The main aim could be to convince them of future investments and to show the positive effects of the strategy change. The SHAREHOLDER/INVESTOR RELATIONSHIP could worsen because of high spending if the blue ocean strategy is not communicated well. Thus MARKETING AND MARKET COMMUNICATION is a crucial aspect of the trade interest sphere that the enterprise should invest in. On the one hand, informing the shareholders is important to guarantee future investing. On the other hand, it is central to report to the customers about the strategy change, also with the help of EXTERNAL COMMUNICATION CULTURE. In addition to informing customers of the changes in strategy and the impact of the changes on them, CUSTOMER RELATIONSHIP might be used to find out what customers value in order to follow value innovation. CUSTOMER RELATIONSHIP has a feedback effect on SALES. Besides, SELLING POINTS/PARTNERS have to be sufficiently informed about the new products to adequately consult the customers. That is why we marked it, next to CUSTOMER RELATIONSHIP, with an "I". The main aim of the enterprise might be to implement an enduring competitive advantage (COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP of the peer interest sphere).

Summing up the case study on blue ocean strategy in the PNC, it becomes obvious that the strategy changing enterprise has to face interacting developments. Only few different decision possibilities occur once having decided to change the strategy. Cost culture, governance culture, as well as executive management have to be adapted anyways. If changing to blue ocean strategy, the enterprise in question's main task is to inform share- and stakeholders as well as customers of the new strategy which causes, as the innovation itself, costs. To guarantee steady value innovation, customer relationship belongs to the most crucial aspects for finding out what customers value most. Besides, we believe that focusing on HRM, PRODUCTION, SUPPLIER RELATIONSHIP, as well as SELLING POINTS/PARTNERS might help the enterprise to successfully implement the new strategy. The five aspects are marked with an "I" in Figure 2.4. The PNC helps the enterprise to evaluate the

possible changes in internal and external aspects. We again suggest working on a cost-benefit equation for implementing the blue ocean strategy adequately.

2.5 Replacing encapsulated units by networks

Obviously, our PNC incorporates the enterprise-centered view of the 1980s and 1990s and adds the innovation economics aspects of the 21st century. What differentiates our work from previous holistic models is that the PNC breaks the conventional understanding of enterprises with encapsulated business units and separate task forces. It thus adapts to globalized network markets in a new way as the PNC internalizes the present network effects to open network collaboration. As a consequence, the PNC strategy enables every employee in an enterprise, no matter where he or she operates, to actively participate in the wellbeing of the enterprise. Thus, in the net, social and innovative input can be assigned in a novel way. The network enables employees to ask for, but also to transmit expertise. Due to the reputational memory of the network, the employees are rewarded accordingly. Breaking with conventional matrix structures and working in an open network leads to a new efficiency in enterprises.

To give an example, we come back to the Porter's (1980, 1985) cost leadership and differentiation strategy. Assuming that a company wants to change cost culture and follow a cost leadership strategy, the PNC implies that in contrast to conventional methods, costs cannot be cut independently in the different subunits. To be more precise, cost cutting becomes a networked priority. In contrast to a former anonymous, hierarchical system, each employee has the possibility to participate in the cost leadership strategy change. With the help of crowd sourcing and a collective intelligence of the network, previous communication problems can be healed. This collaborative and participative innovation might lead to innovative cost cutting approaches.

As crowd intelligence leads to an increase of innovative ideas, the enterprise can also benefit from these inputs for developing an efficient differentiation strategy. This participation of each individual and search of benevolent internal customer might result in an efficient strategy change.¹⁵ Furthermore, the network will help the employees to integrate an internal coopetition and a peer to peer coopetition in the whole system. Learning from the blue ocean strategy, the network will better evaluate values besides the customers' values that are only visualized in the aspect customer relationship.

We can sum up the following benefits of the PNC. First, in the network, the influences of the different aspects that describe a strategy can be seen in a clearer way. Second, an open discussion with the crowd leads to a higher acceptance of decision of changes and decisions within an enterprise. Third, the vision of the enterprise becomes more transparent and leads to a more efficient execution of the company's goals by each individual. The PNC combines former holistic strategy concept with aspects of the globalized network markets. It thus visualizes a possible perfect fit for the business environment at current economies. To further evaluate our PNC, we conducted a power network analysis of global companies that we will come to in the next part.

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¹⁵ To make it clear, participation does not mean to report R&D to third parties.

Chapter 3

3. Industry-by-industry analyses (Power Network Analysis) and data analysis

3.0 The aim of the Power Network Analysis and the data analysis

As Schrank (2008) exemplified, in strategy research it is crucial to implement existing industries and strategies in the thoughts. Therefore we conducted the Power Network Analysis of global companies between January and May 2012. The industry-by-industry analyses provide context-specific and accurate measures. By focusing on several industries, our aim was to generalize the hypotheses and to find a concept that fits to all industries (Dyer, 1996; Lane, 1998). Following Lane (1998), our study implements available information as company strategy statements and annual reports until 2010. We collected information provided online by the analyzed companies that gave insights on (1) Mission and philosophy, (2) Strategy statement, (3) Corporate culture, values, code of conduct, (4) Cooperations, and (5) Responsibility, depending on the availability of the data. However, due to the lack of overall company information, we had to exclude some companies. Parts 3.1 to 3.3 give more insights on the industry-by-industry analyses.

In a second step, we contacted the 65 companies as well as external experts. Presenting our analyses resulted in 65 individual questionnaires, each containing 24 questions. Our interpretations of all PNC aspects were generally confirmed, as part 3.4 shows. For our analyses, we used a new method to translate corporate website statements into strategy aspects.

3.1 The industry-by-industry analyses: Method, included industries, and analyzed factors

Facing literature on strategy and strategic development, one can conclude that a general claim for finding a guideline to form and implement strategy exists, as chapter 1 showed. As the knowledge of the market is the substantial base for all strategy analyses (see e.g. Benölken, 2011; Krone, 2011; Neuthinger, 2011), this part of the thesis will hence centralize the current economic situation of companies. In a first step, Fortune Global 500 companies are of interest, incorporating enterprises from all over the world. In fact, differences in the historical development of companies with different cultural background exist. Authors claim that most strategy theories exclusively focus on strategies of Western firms (see e.g. Lippold, 1996; Nolan, & Zhang, 2002). In contrast, it is the Confucian values that coin Chinese, Japanese, and Korean companies and make their strategies differing to Western enterprises. Consequently, economic as well as cultural roots are different to Western standards. Some information on historical development in Korea, China, and Japan will follow to give an overview on these three Asian economies (Lippold, 1996). In fact, with the integration of global companies, this part widens the systematic literature review of chapter 1 by integrating different cultures into our industry-by-industry analyses to make the PNC a model facing all globalized markets.

3.1.0 Strategy in Asian companies

Asian companies are often altered differently by governments than companies from other regions. In Korea, for example, historically seen, the government influenced production and sales of companies. Conglomerates, so-called 'chaebols,' are the results. These chaebols focus simultaneously on many different businesses. Industries are technologically unrelated (Lippold, 1996).

After the 1970s and entering the World Trade Organization, China was forced to more integrate into the world economy. Based on analyses of historic changes in industrial policy worldwide, the country aimed at restructuring the business system. Policy support for some companies and industries was given. Nolan and Zhang (2002) foresaw the Chinese firms not to be competitive on international markets.

However, the authors expected China to be the one developing country with the most potential with respect to globally competitive companies. Nolan and Zhang (2002) further clarified that China should improve the indigenous companies' position. Open market would force the Chinese companies to become more efficient to compete globally, as the authors explained.

Global competition leads to an increase of efficiencies. This could be seen e.g. in the US car industry of the 1980s, when Japanese companies started competing. In fact, due to drastic changes in the dollar - yen exchange rates, an increase of direct investment by Japanese firms could be experienced from the 1990s on. In the Japanese economy, many companies increasingly set on internationalization and globalization strategies. Consequently, academic research focuses on Japanese tactics. The management of Japanese companies was analyzed as being relatively flexible but also aggressive in the 1990s. These changes led to an increasing adaptation of systems and strategies across borders. This adaptation was forced by environmental problems, international pressure, and social changes (Demes, 1992; Kumazawa, 1992; Nomura, 1992; Tokunaga, 1992; Nolan, 2002).

Concluding the remarks on the three Asian countries one can say that besides differing economic and cultural roots, intense developments took place. This fact leads to the question whether Asian companies are equally competitive as Western companies and if so, whether it is possible to map the strategies of all global actors in one concept. To answer these questions, in this part of the thesis, it is differentiated between Asian, European, and Northern American companies. The basis for the analyses is the Fortune Global 500 list published 07/25/2011 that uses company data of 2010 (Fortune Global 500, 2011). To show the developments, the lists of 2009 and 2008 are also used. In 21 different industries, each region's largest company completes the analyses. This leads to in general three analyzed companies per industry. Together with the analyzed factors, the industries will be explained in the upcoming part.

3.1.1 The 21 analyzed industries

We analyzed 65 service and product companies that have their roots in Europe, North America, or Asia, and categorized them in the following 21 industries ¹⁶: (1) Services in general, (2) Insurances, (3) Banking, (4) Transport and Travel, (5) Post and Delivery, (6) Media and Entertainment, (7) Telecommunication, (8) Aircraft, (9) IT and Electronics, (10) Electrics, (11) Energy, (12) Oil and Gas, (13) Food and Nutrition, (14) Supermarkets and Retailers, (15) Consumer goods, (16) Chemical products, (17) Pharmaceutics, (18) Tobacco, (19) Industrial companies, (20) Mining, and (21) Automobile. ¹⁷ A list of the companies is contained in Table 3.1 on page 115.

We assign each company to only one industry that it names its core competency even though the majority of enterprises are active across several industries and explicitly underline the diversity of their businesses. Nevertheless, we find a unique assignment of enterprises to industries helpful for structuring and comparing the strategy configurations within and across industries. BASF SE, for example, sees itself as a chemical company, but also focuses on other businesses. We included the company in the industry that was provided as the core competency by the company information itself (Chemical products, part 3.2.16). Although differences in the industries are to be highlighted, the main focus of this part lies on the concluding remarks on all industries. Since the aim of the PNC is to cope with all industries, a stringent differentiation between the companies, if not possible, does not influence the quality of the analyses. However, some companies did not explicitly categorize themselves. Neither the different businesses they act in, nor their own understanding of the whole company, nor a tendency was explicitly stated. These companies were thus not integrated into the analyses.

To make it clear, this data collection will focus on two parts. On the one hand, industry-by-industry analyses provide context-specific and accurate measures. On the other hand, focusing on several industries will make the hypotheses possible to

¹⁶ Please note that we developed an own categorization for diversified, international enterprises, that helped us to structure this work. Existing categorizations, as e.g. the North American Industry Classification System (NAICS), are partly similar to our categorization, but basically made for another purpose.

¹⁷ Please note that the industries are presented in the following order: Service companies are presented before producing ones. The rest is ordered in a logical way to show the interrelationships and developments in and across the industries.

be generalized (see also Dyer, 1996). The used literature was available information, basically from the web presence of the companies. The company information used and the sources can be found in the Appendix B. ¹⁸

The analyses took place between January and May 2012. Following Lane (1998), this study implements company strategy statements, annual reports, as well as additional information provided by the analyzed companies. Annual reports of the fiscal year 2011 are not included into the work as they were partly not available in Spring 2012. Annual reports of the years 2010, 2009 and 2008, if available, and additional corporate website information are the basis of this work. Pages are not explicitly named in the footnotes, as most annual reports do not have a continuing number of pages. The tables in the Appendices show the corporate statements on the respective websites and available data. Summarizing the data in the tables was scientifically challenging, as so far no systematic method of translating corporate statements to strategy aspects exists ¹⁹. In order not to have a bias in our information, we therefore conducted the data analysis in the next step which we present in chapter 3.4 of this work.

3.1.2 Neglected and included industries

In the following part, we analyze service as well as producing enterprises in 21 markets, namely (1) Services in general, (2) Insurances, (3) Banking, (4) Transport and Travel, (5) Post and Delivery, (6) Media and Entertainment, (7) Telecommunication, (8) Aircraft, (9) IT and Electronics, (10) Electrics, (11) Energy, (12) Gas and Oil, (13) Food and Nutrition, (14) Supermarkets and Retailers, (15) Consumer goods, (16) Chemical products, (17) Pharmaceutics, (18) Tobacco, (19) Industrial companies, (20) Mining, and (21) Automobile. Table 3.1 gives an overview on all analyzed enterprises, organized in alphabetical order of the industry.

¹⁸ Please note that all information and company statements are summarized in the respective tables in the Appendix. Hints to literature are thus not included in the strategy analyses. Corporate website sources are presented in footnotes.

¹⁹ Please note that the tables in the Appendices therefore include citations as well as summarized information.

Table 3.1: Analyzed enterprises in 21 industries.

Industry	Enterprise	Abbreviation
Aircraft:	Aviation Industry Corp. of China (China)	AVIC
	The Boeing Company (USA)	BA
	EADS Group (Netherlands)	EADS
Automobile:	General Motors Company (USA)	GM
	Toyota Motor Corporation (Japan)	TM
	Volkswagen AG (Germany)	VW
Banks:	Bank of America Corp. (USA)	BAC
	Industrial and Commercial Bank of China Limited	ICBC
	(China)	ING
	ING Group (Netherlands)	
Chemical products:	BASF SE (Germany)	BFFAF
	Dow Chemical Company (USA)	DOW
	Sinochem International (Holding) Co., Ltd. (China)	SCM
Consumer goods:	Johnson & Johnson (USA)	JNJ
	The Procter & Gamble Company (USA)	PG
	Unilever (Netherlands/Great Britain)	UL
Electrics:	Robert Bosch GmbH (Germany)	BOS
	General Electric (USA)	GE
	Samsung Electronics (South Korea)	SSU
Energy:	E.ON AG (Germany)	EON
	Petrobras (Brazil)	PBR
	Suncor Energy Inc. (Canada)	SU
Food and Nutrition:	COFCO (China)	CFO
	Kraft Foods Inc. (USA)	KFT
	Nestlé S.A. (Switzerland)	NSRGY
Gas and Oil:	ExxonMobil Corporation (USA)	XOM
	Royal Dutch Shell Group (Netherlands)	RDSA
	Sinopec Group (China)	SHI

3. Industry-by-industry analyses (Power Network Analysis) and data analysis

Industry	Enterprise	Abbreviation
Industrial companies:	Caterpillar Inc. (USA)	CAT
	Hyundai Heavy Industries Co., Ltd. (South Korea)	ННІ
	Compagnie de Saint-Gobain (France)	SGO
Insurances:	American International Group, Inc. (USA)	AIG
	AXA Group (France)	AXA
	China Life Insurance Company Limited (China)	LFC
IT and Electronics:	Hewlett-Packard Company (USA)	HPQ
	Panasonic Corporation (Japan)	PC
	Siemens AG (Germany)	SI
Media:	SoftBank Corp. (Japan)	SFTB
	Vivendi SA (France)	VIVEF
	The Walt Disney Company (USA)	DIS
Mining:	Rio Tinto Group (Great Britain/Australia)	RIO
	Vale S.A. (Brazil)	VALE
Pharmaceutics:	Cardinal Health, Inc. (USA)	САН
	Novartis AG (Switzerland)	NVS
	Suzuken Co., Ltd. (Japan)	SZUKF
Post:	Deutsche Post DHL (Germany)	DPD
	Japan Post Group (Japan)	JPP
	United States Postal Service (USA)	USP
Services in general:	Google Inc. (USA)	GOOG
	Ingram Micro Inc. (USA)	IM
	Maruhan Corporation (Japan) [MHN]	MHN
	Sodexo (France)	SDXAY
	Veolia Environnement (France)	VE
Supermarkets and Retailers:	Carrefour S.A. (France)	CA
	Wal-Mart Stores Inc. (USA)	WMT
	7 & i Holdings Co., Ltd. (Japan)	SVNDY
Telecommunication:	AT&T Inc. (USA)	T
	Deutsche Telekom AG (Germany)	DT
	Nippon Telegraph and Telephone Corporation	
	(Japan)	NTT

3. Industry-by-industry analyses (Power Network Analysis) and data analysis

Industry	Enterprise	Abbreviation	
Tobacco:	British American Tobacco PLC (Great		
	Britain/USA)	BTI	
	Imperial Tobacco Group PLC (Great Britain)	ITYBF	
	Japan Tobacco Inc. (Japan)	JAPAF	
Transport and Travel:	American Airlines, Inc. (USA)	AMR	
	China Railway Group Limited (China)	CRR	
	Deutsche Bahn AG (Germany)	DB	
	Deutsche Lufthansa AG (Germany)	DLAKY	

In most markets, three companies are analyzed. In the field of Services in general, five different companies are examined. Services are broadly defined and five companies provide a more detailed picture of the service industry. The part on Transport and Travel comprises two railway companies and two airlines. As there is no consumer goods producer in Asia besides the ones that are already included in other parts (e.g. COFCO), there are two US-American companies and one European taken for analyses. Mining comprises two companies. It was though analyzed as an example of heavy industry. In the field of steel production, the European company ArcelorMittal as well as the South Korean company POSCO are included in the Fortune Global 500 (2011) list. In contrast to mining, steel companies will not be analyzed in this work, as a North American counterpart is not on the list.

Other sectors, as e.g. investment holding companies (for example EXOR Group, total score 83) or food production companies (for example Archer Daniels Midland, total score 122) are not included in research. This is due to missing available information. Some other companies do not provide information in English, French, or German and are thus not included and not further named here. Some industries have only one representative in the Fortune Global 500 list and are thus excluded. Becoming global actors was partly motivated by delocation of productions. This could especially be experienced in the clothing industry, but also in other manufacturing industries (see e.g. Jungnickel, 1995). Eryuruk et al. (2010) analyzed qualitatively and quantitatively 50 Turkish clothing manufacturers. In fact, the clothing industry is relatively important for the Turkish economy. However, to give an example for only one present enterprise per industry in the Fortune Global 500

(2011) list, we can name Koç Holding, as the only Turkish company that concentrates on clothing (Fortune Global 500 Turkey, 2011). With respect to clothing in general, the luxury brand Christian Dior can be found in the list (Fortune Global 500, 2011), but will not be further elucidated in this work.

3.1.3 Analyzed factors

In the following analyses, in a first step, the companies chosen are shortly presented in order of their score in the Fortune Global 500 list. In a second step, trends in financial data and number of employees are focused on. This is followed by an analysis of five factors.

Shareholder and investor relationship

All companies provided extra information for shareholders and potential investors and helped us to shortly analyze financial data and number of employees²⁰. The tables summarizing the number of employees and financial data can also be found in the Appendix B. In the analyses, percent changes are included.

The Japanese fiscal year ends in March 2011. The growth rates are calculated in that currency which is named in the available information (US Dollar [Dollar], Euro, Yen, RMB, Pound, Canadian Dollar, or Korean Won). Those figures not stated in US Dollar are additionally calculated in the then-actual exchange rate. Where an exchange rate was explicitly stated in the available data of a company, that exchange rate was used. The elsewhere used rates are summarized in the following table, Table 3.2.

²⁰ Please note that information of the numbers of employee is partly presented as averages of years and partly at the end of the period being reported in the available information. If not other stated, the number represents consolidated employees.

Table 3.2: Exchange rates.

	31/12/2010 (03/31/2011)	31/12/2009 (03/31/2010)	31/12/2008 (03/31/2009)
Euro/Dollar	1.339	1.433	1.399
Yen/Dollar	0.012	0.011	0.010
RMB/Dollar	0.146	0.146	0.143
Pound/Dollar	1.562	1.616	1.434
Canadian Dollar/Dollar	1,003	0.955	0.821
Korean Won	0.001	0.001	0.001

Source: See Währungsrechner (2012).

The five factors

After the short company presentations and financial data summaries, in a third step, the tables of Appendix B provide information for analyses on the following five factors: (1) Mission and philosophy, (2) Strategy statement, (3) Corporate culture, values, code of conduct, (4) Cooperations, and (5) Responsibility, depending on the availability of the data.

- (1) Mission and philosophy: Though not always explicitly noted, most of the companies have a mission statement and/or a vision and philosophy which we included in the tables. However, some visions can more be seen as a strategy statement and are then included into (2) Strategy statement. These statements are sometimes presented in listings. Kaplan and Norton (2008) pointed to the information function of these documents, as they summarized the most important strategy facts.
- (3) Corporate culture, values, code of conduct: In codes of conduct the companies try to define their position as a corporate citizen. This framework is formulated as an aim to combine the shareholders' and stakeholder' interests, and to find a way how to work with partners. Most of these codes of conducts are similar and thus not explicitly included in the tables. Only outstanding material is provided. If explicitly

stated, corporate culture and values are listed. Competitive advantages, if noted, are also included in this column.

(4) Cooperations: Laanti, Gabrielsson, and Gabrielsson (2007) came to the conclusion that the more international a company becomes, the more important cooperations are. One can say that cooperations are made to improve a company's abilities (Vornhusen, 1994). Hanke (1993) warned against the difficulties in defining cooperations. According to the author, cooperations are subject to changes. Thus, new forms are steadily developed. Hanke (1993) suggested differentiating between horizontal, vertical, and conglomerate cooperations. Overlapping of this tripartite is possible. Companies being present on the same market are horizontal cooperators. Vertical cooperations define companies forming one supply chain, e.g. a producer and a retailer. These cooperations became increasingly well-accepted in the 1990s. Working on different markets but cooperating, companies have a conglomerate, or diagonal cooperation (Hanke, 1993; Han, Wilson, & Dant, 1993).

Vornhusen (1994) summarized some hundred cooperations to be started yearly. These cooperations can last for some days, years or even decades. Dillerup (1998) defined cooperations as networks. These networks are set together by different companies that each do what they can best. Thus, cooperation is a best-of-everything organization. Magnus (2007) explained cooperations to be made by nearly all retailers. The question of whether and how the chosen Fortune Global 500 companies cooperate will thus be elucidated in the analyses.

(5) Responsibility: At the beginning of the 1990s, environmental problems became of increasing interest (Tokunaga, 1992). Curbach (2009) explained that companies somehow reacted to the environmental problems, but also to social needs etc. Different ambitions, as e.g. reputation, recruiting, marketing strategy, or competitive advantages made the companies more and more integrating responsibility into their business structures. Today, corporate social responsibility is expected from the globalized companies, as Curbach (2009) summarized. Spence (2011) meant that nearly all Fortune Global 500 firms invest in some kind of CSR. In fact, companies are responsible in the following four ways: philanthropic, ethical, legal, and economic responsibility (Carroll, 1991). Palazzo and Richter (2005) explained three differences in corporate social responsibility. A firm can perform on an instrumental

level. This level measures a company's ability to deliver the quality in services or products that customers ask for. Second, a company's integrity is referred to by the transactional level. Consistent and transparent actions are fulfilled; promises kept, moral, and legal rules are complied. Third, self-interest is transcended; the common good is of highest importance. The benevolence centers the societies' well-being at this transformational level (Carroll, 1991; Palazzo, & Richter, 2005).

Today, a number of companies provide a Corporate Responsibility report. It should be noted here, that different expressions for responsibility exist. Some companies call it corporate responsibility, some underline the social aspect (corporate social responsibility). Others use the expressions corporate citizenship or sustainability. As the analyses of available information shoed that all companies somehow mean the same, in the following, no differentiation is made and all expressions summed up by the term responsibility (Curbach, 2009).

3.1.4 Not explicitly noted aspects

During the research, it became increasingly obvious, that some aspects are included in all companies' statements. Thus the explicit notice of these aspects was neglected. Only some exceptions are made if the factors are especially highlighted by all analyzed companies of an industry. The aspects of interest are shortly explained to make clear their importance for the global actors.

Environmental influences

The analyzed companies all directly or indirectly pointed to political and cultural influences they face doing business. These influences include for example cooperating with governments etc. These aspects are not further highlighted in the analyses.

Research and Development (R&D) spending

The majority of the companies included their R&D spending into their publications. Though some spent more than others, one can conclude that R&D is of importance to the Fortune Global 500 companies. Only special data is thus included in the analyses.

Human Resource Management (HRM)

Human Resource Management was also explicitly named on the corporate websites. All companies explained a person's potential if one decides to work for the company. With respect to already employed people, the majority of companies provided a code of conduct. It shows the guideline for working in the company, including respect for others etc. Only where this code of conduct was basically different to others, it was included in the tables.

One additional aspect being named in context to HRM was the company's diversity of the workforce. It was underlined that this manifoldness is wanted and supported and symbolizes the different possibilities of the company in question. This fact is not further highlighted in the analyses.

Availability of products and services

As all analyzed companies were global actors, their global availability is not further centered. However, it should be outlined that besides the notice where the products or services are available, an online service was provided in most cases. This service included for example the possibility to ask questions or to give feedback to the products. Some enterprises provided online-shops. It can thus be summarized that with respect to availability, the online as well as the around the corner availability are significant for all companies and consequently not further highlighted in the following analyses.

3.2 Results of the Power Network Analysis

The first seven parts of the strategy analyses head towards service companies. In this part, as a starting point, services in general are centered. Following this, parts 2 and 3 will focus on Insurances and Banking. In part 4 and 5, Transport and Travel and Post and Delivery are elucidated, whereas Media and Entertainment as well as Telecommunication are of special interest in parts 6 and 7. Afterwards, the analyzed firms more concentrate on production. However, producing firms nowadays provide additional services to their portfolio, which Cusumano (2010) called essential or

complementary. In the 21st century, these services are of strategic importance to most companies. Consequently, Cusumano (2010) called the firms hybrids. The producing companies, no matter if operating as hybrids or not, are analyzed in parts 8 to 21 of the analyses. Cusumano (2010) also included banks and telecommunications service providers into product firms, as they offer some standardized services. These companies will be of interest in parts 3 and 7. As explained above, the analyses are aimed at being a complementary work. The different parts are integrated to enable the reader to get a general view, but not to clearly differentiate between the different business parts. The goal is to implement all gained information into the PNC to provide a holistic strategy model. Following this, the next part will center services in general.

3.2.1 Services in general: Veolia Environnement, Ingram Micro Inc., Google Inc., Maruhan Corporation, and Sodexo

Cusumano (2010) showed that nowadays, at least 70 percent of gross national product of industrialized countries is produced by services. Additionally, services' importance increases in the developing nations. Lovelock and Yip (1996) defined eight special characteristics of service companies, to be shortly summarized: The performance is not an object, inventories are lacked. Quality cannot easily be controlled. Moreover, for customers it is harder to evaluate a service, but they are involved in the production: People are a part of service experience. As the time factor is of highest importance, electronic channels and distribution are often used, as it will be explained below.

Beginning in the 1990s, services in general increased domestically. Likewise, international trade in services grew. Since that time, distribution channels for services developed and an almost total global coverage of several services could already be experienced by 1996. Services especially increased in the fields of information products, travel services, and banking, the latter to be more highlighted in the part Banking (Lovelock, & Yip, 1996). According to Mathe and Perras (1994), service providers have differing challenges becoming international. In fact, the companies have to decide on standardization and localization, employee motivation, and global competition. In fact, global competition grew, as Mathe and Perras (1994) summarized. The conflict between standardization and localization

arose, as service companies more and more faced problems being confronted with different cultures. Although the Internet enables companies to operate worldwide, they somehow have to decide how or if to adapt their services or service entering strategies in different regions. Cultural differences fostered by governments might influence enterprises' plans. Google Inc., for example, had problems entering the Chinese market. These problems were caused by censorships stipulated by Chinese government (O'Rourke IV, Harrison, & Ogilvy, 2007).

In this part, five general service companies are chosen and are the start of the analyses of 21 industries. These are Veolia Environnement, Ingram Micro Inc., Google Inc., Maruhan Corporation, and Sodexo. Some highlights are explained before the analyses start. Seichea (2009) scrutinized Veolia Environnement's position and found out that by 2009, the company was the only global actor providing environmental services. To be more precise, environmental services include water and energy services, all being provided with the brand name Veolia Environnement. Ingram Micro Inc., the second company to be focused on in this part, improved its economic situation by mergers and acquisitions (Möller, 2005). Third, Google Inc. is of interest. Carr (2007) meant that opinions on Google Inc. differ. The company cannot be clearly categorized into one market. However, it is integrated into this part, as it offers services in different markets. Additionally, the companies Maruhan Corporation and Sodexo are further analyzed.

Coulter and Coulter (2002) summarized that trust is the most important factor for establishing long-term relationships between service providers and their customers. How the five companies convince customers to use their services and what their strategic directions are will be further analyzed in the following.

Veolia Environnement

Veolia Environnement is located in France and is the 175th largest company in the Fortune Global 500 list (2009: 145th) (Fortune Global 500 VE, 2011). The group operates in four segments. These are Veolia Water, Veolia Environmental Services, Veolia Energy, and Veolia Transport (Annual and Sustainability Report 2010 Veolia

Environnement, 2010). It sees itself as a world leader in environmental services.²¹ The company's roots go back to 1853.²²

Ingram Micro Inc.

Having lost four ranks compared to the foregoing year, the US-American Ingram Micro Inc. has a total score of 264 in the Fortune Global 500 (2011) list, compared to 268 in the foregoing year (Fortune Global 500 IM, 2011). Ingram Micro Inc.'s history began in 1979. Today, the company is the largest wholesale distributor of global information technology and provides supply-chain service. To be more precise, Ingram Micro Inc. offers IT peripherals, systems, software, and networking (Ingram Micro 2010 Annual Report, 2010).

Google Inc.

The US-American company Google Inc. scores 325th on the Fortune Global 500 list (2010: 355th) (Fortune Global 500 GOOG, 2011). It was incorporated in 1998. The company provides innovation in advertising and web search. Besides the search engine and the different advertising tools, Google Inc. offers operating systems and platforms as well as enterprise products. With the services, Google Inc. defines itself as a brand that is worldwide accepted and recognized. Google Inc.'s employees are equity holders (Google 2010 Annual Report, 2010).

Maruhan Corporation

The Japanese company Maruhan Corporation lost ranks from 376 to 407 between 2009 and 2010 (Fortune Global 500 MHN, 2011). It was founded in 1957 and today mainly manages entertainment facilities. These are all leisure-related businesses as e.g. cinemas, bowling alleys, and amusement facilities. ²³ Additionally, Maruhan Corporation owns a bank, Maruhan Dining, and mm international. ²⁴ As most websites are only available in Japanese, a further specification could not be made.

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²¹ See http://www.veolia.com/en/group/strategy/ (2011), 01/02/2012.

²² See http://www.veolia.com/en/group/history/1853-1900/ (2011), 02/01/2012.

²³ See http://www.maruhan.co.jp/english/company.html (2011), 02/16/2012.

See http://www.maruhanjapanbank.com/en/about-us (2012), 02/16/2012; http://www.maruhandining.co.jp/ (2008), 02/23/2012; http://www.mmin-net.co.jp/ (2008), 02/23/2012.

Sodexo

Sodexo was established in France in 1966. According to the Fortune Global 500 list, it is today the 470th largest company in the world (previous year: 437th) (Fortune Global 500 SDXAY, 2011). Sodexo designs, manages, and delivers services in the following segments: on-site service solutions, motivation solutions, and personal and home services (Annual Report 2010 Sodexo, 2010).

Employees and financial data

The developments of the services companies were relatively different. Consequently, the trend of an increase in the service market since the beginning 1990s, presented by Lovelock and Yip (1996), cannot be confirmed. Whereas Veolia Environnement, Ingram Micro Inc., and Google Inc. had seven, five, and two percent less employees in 2009 compared to 2008, Maruhan Corporation's as well as Sodexo's workforce increased. The two companies had about two percent and seven percent more people working for their company in 2009. In 2010, Maruhan Corporation's workforce decreased by five percent. Sodexo had a consistent number of employees.

In 2010, Veolia Environnement's workforce re-increased by one and a half percent, Ingram Micro Inc.'s by 13.8 percent, and Google Inc.'s by 23 percent. One can say that personnel developments of the five service companies are different. However, it should be pointed to the fact that Ingram Micro Inc. as well as Google Inc. only published the number of full-time employees. Thus the overall development in percentage cannot be significantly compared to the other companies' ones.

With respect to financial data, the five analyzed companies also developed differently, but mostly in accordance to the number of employees. Veolia Environnement's revenue decreased by six percent in 2009 and re-increased by two and a half percent in 2010. Ingram Micro Inc.'s net sales lay at 14.1 percent under the 2008 results. In 2010, the company experienced an increase of 17.2 percent.

Google Inc. is the only company not to follow the trend of similar trends in number of employees and financial date: Their workforce decreased in 2009 whereas the revenue increased: In fact, Google Inc. as well as Sodexo grew in 2009 and 2010.

The former's revenue increased by eight and a half and 24 percent, the latter's by eight and four percent. However, Google Inc. expects the competition to increase and the online marketing market to mature. Consequently, the company foresees declining revenues (see Google 2010 Annual Report (2010)). Maruhan Corporation's net sales increased by three percent in 2009 and decreased, as their number of employees, by four percent in 2010.

Strategy analyses

The five companies analyzed here have only one common aspect: They are service providers. However, different kinds of services are offered. Here, it will be shortly found out what the main strategic directions the companies have chosen, are. Similarities and differences are highlighted.

The service companies center their customers in their work. Thus, the literature summary can be confirmed at this point. All five organizations want to be creative, innovative, and pioneering to convince existent and new customers. Maruhan Corporation clarifies the aim to refresh people physically and mentally, and to express dreams.

Moreover, the service companies set on teamwork and specialized employees to provide high quality services. Google Inc. refers to internal communication, transparency and the start-up thinking: The company gives the employees the freedom to act on their ideas. Ingram Micro Inc. also points to vendors and resellers.

Additionally, the environment has a special focus at Veolia Environnement and Sodexo. The former points to scarce resources, energy efficiency, water management, and waste treatment. The latter wants to contribute to social, environmental, and economic development. These aspects can also be re-found in part *Responsibility*. However, as both companies accentuate the factors in their mission and strategy statement, they are additionally included here.

Further to the above mentioned aspects, accountability and shareholder relationship are valued. Sodexo, for example, underlines its independence and a solid financial model.

Cooperations

Veolia Environnement is the only service company that explicitly says to have 664 partnerships. These are mainly incurred with suppliers on a vertical basis. Google Inc. sets on partnerships with content companies, but also on acquisitions. Moreover, the company has distribution partners as vertical partnerships, as Ingram Micro Inc. also has. In fact, the latter defines in the mission to be an indispensable business partner. The guiding principle shows that Ingram Micro Inc. also focuses the business partners' and associates' success.

Maruhan Corporation only broadly defines the business partners. On the contrary, Sodexo is more precise in description. The company explains to have long-term partnerships with external organizations, thus diagonal cooperations. However, the companies also underline their competitive advantage through people which shows competition and cooperation to be made by them. Similar to that, Ingram Micro Inc. positions itself on the market. The high quality execution makes Ingram Micro Inc. differentiating competitively.

One can thus conclude that partnerships exist mainly on the vertical basis. Furthermore, all companies highlight their competitive position and call themselves leaders. Thus a combination of cooperation and competition can be elucidated.

Responsibility

Environmental responsibility is especially important to Veolia Environnement and Sodexo. Due to the fact that the two enterprises highlighted it in their strategy statement and the mission respectively, it was already mentioned above in the strategy analyses. In the responsibility statement, Veolia Environnement further explains the biodiversity program. The company aims at supporting customers preserving ecosystems. Google Inc.'s responsibility is also environmentally oriented, but relatively broad defined. The company sets on green initiatives.

Besides environmental responsibility, social responsibility is of high importance to the five analyzed service companies. Ingram Micro Inc. wants to be socially responsible in communities, workplace, and environment. Maruhan Corporation provides community centers to build relationships with local society.

Service companies in general and the PNC

Concluding the above mentioned aspects of the companies, one can combine the results with the Power Network Concept (PNC) developed in chapter 2. In a first step of the combination, culture links, or the inner circle of the PNC, will be analyzed, followed by the second circle of production links. Afterwards, the basic directions or relationship links are focused. Where interrelationships between the three circles and the basic directions exist, a combined analysis takes place.

With respect to culture links, the following aspects of the PNC are highlighted by the strategy analyses of the five service companies: Service companies are dependent on the employees' impact. Thus adequate INCENTIVE and WORK CULTURE are extraordinarily important. Furthermore, INTERNAL COMMUNICATION CULTURE has to be efficient. Additionally, INNOVATION CULTURE is fostered to improve the products. This is guaranteed by HRM of the relationship links. The employment of excellent people that convince customers is of highest importance. The service market is customer-oriented. Consequently, EXTERNAL COMMUNICATION CULTURE and a PRODUCT CULTURE are of special importance. These culture links are combined with the following production links: SERVICE, by definition of the industry, and SELLING PARTNERS, defined as vertical cooperations in the analyses above, are to be considered.

Furthermore, one can say that these relationship links are followed by the service companies: COMPETITIVE AND COOPERATIVE RELATIONSHIP was found in the strategy analyses. The companies understand themselves as leaders in what they do. ACQUISITIONS are made to foster this competitive position. This is combined with efficient FINANCIAL RELATIONSHIP and SHAREHOLDER RELATIONSHIP. MARKETING AND MARKET COMMUNICATION are important to make people aware of the services. RESPONSIBILITY in social and environmental aspects is present.

3.2.2 Insurances: AXA Group, American International Group, Inc., and China Life Insurance Company Limited

Insurance companies are also service providers. In addition to the foregoing service section that mainly focused on different service companies without direct competitors, this part will center insurance companies in particular. In fact, some

insurance companies act globally and have thus direct competitors that only operate in the fields of insurances. Consequently, they are separately analyzed here.

Zheng, Liu, and Deng (2009) underlined the importance of insurance analyses in times of globalization. In fact, insurances are dependent on cultural aspects. Chan (2009) pointed to the relatively late introduction of insurances in China. Whereas in the United States life insurances came up in the beginning of the nineteenth century, in China, commercial insurances appeared by the end of the twentieth century. International companies followed in the late twentieth century. From then on, the insurance market grew in China, though cultural barriers made an emergence difficult (Chang, 2009; Zelizer, 2009). Today, one Chinese insurer is globally active and will be analyzed in the following, namely China Life Insurance Company Limited.

Zheng, Liu, and Deng (2009) found out that the insurance industry developed rapidly in emerging markets as China, India, Russia, and Brazil. A relatively high level could be achieved in those countries. However, the growth level in developed countries still excels the emerging markets'. In this part, two additional global acting insurance companies are elucidated. These are the French AXA Group and the American International Group, Inc.

Face-to-face contact with customers and franchisees is of importance for service companies. Thus, besides a global organization, local partners have to be available to contact customers. Cooperation and exchange of experiences for growing on a market can be an option for these contacts (Neuthinger, 2011). In Japan, insurance companies have a coopetitive strategic organization, Okura (2007) explained. To be more precise, in the field of insurance premiums or policy sales, competition takes place. In an investment phase, the companies cooperate, as e.g. in associations (Okura, 2007). Whether this coopetition can be found in the available data of the three insurance companies is of interest in the upcoming part. Other possible strategic directions the insurance companies face will be elucidated.

AXA Group

AXA Group lost five ranks and was the 14th largest company in 2010. It is located in France (Fortune Global 500 AXA, 2011). AXA Group is set together by a number of regional mutual insurance companies and was established in 1982. Today, AXA Group sees itself as a global leader in financial protection. Apart from the field of Life & Savings, International Insurance, and Property & Casualty, the company operates in Banking and Asset Management (Registration Document AXA Annual Report 2010, 2010).

American International Group, Inc.

American International Group, Inc. is the 44th largest company in the world (previous year: 41st) (Fortune Global 500 AIG, 2011). As AXA Group, American International Group, Inc. also understands itself as a leading international insurance organization. Three segments set together the group. These are Chartis, focusing on casualty and property operations, SunAmerica Financial group, especially for individuals and groups, and Financial Services (American International Group, Inc. 2010 Annual Report, 2010).

China Life Insurance Company Limited

China Life Insurance Company Limited scores 113th (previous year: 118th) (Fortune Global 500 LFC, 2011). Since 2003, China Life Insurance Company Limited increased and is today China's largest life insurance company. Beside this, they provide accident and health insurances (China Life Insurance Company Limited Annual Report 2010, 2010).

Employees and Financial Data

AXA Group had the same amount of employees in 2009 as in the foregoing year. Total revenues decreased by one percent. In 2010, they reduced the workforce of nine percent, whereas the total revenues grew by one percent.

American International Group, Inc. experienced decreases in workforce in 2009 (17.2 percent) and 2010 (34.4 percent). In contrast to that, the total revenues increased by 1.1 percent as well as two and a half percent in the same periods.

China Life Insurance Company Limited's team had two percent more colleagues in 2009 and about one percent less in the following period. Total revenues increased by 13 and 13.7 percent.

Combining the growth rates one can conclude that the insurance market develops heterogeneously. With respect to financial data, all companies but AXA Group in 2009 experienced growth. However, the literature statement that growth level in developed countries excels the emerging markets' can only be partly confirmed. In fact, the revenue increase of 1.1 percent at American International Group, Inc. in the 2008-2009 period is the only example to support the thesis. What can be said is that the Chinese example of the analyses had relatively stable growth rates in total revenues.

Strategy analyses

The insurances' strategy aim is relatively customer-focused. American International Group, Inc. wants to create unmatched value for customers and exceeded expectations. Additionally, American International Group, Inc. fosters its HRM development, as e.g. talents development and collaboration. This is also what AXA Group focuses: It wants to be the preferred company for customers and employees. Valued are team spirit, professionalism, integrity, innovation, and pragmatism. The company's mission is to "help customers live their lives with more peace of mind."

In addition to employees and customers, AXA Group defines in its vision the importance of shareholder satisfaction. In addition to that, American International Group, Inc. also values honest work to enhance its reputation. Moreover, entrepreneurship is supported, as industry-leading products are of special interest. Additionally, all companies are interested in growing sustainably.

Cooperations

The few cooperations insurances maintain are with distribution partners. China Life Insurance Company Limited clearly defines the differentiation of distribution channels. AXA Group clarifies car dealers and banks to cooperate with. American International Group, Inc. partners with the US government and defines in the vision to work on becoming the preferred company for its distributors. This can be

understood as a diagonal cooperation. Acquisitions are pursued in accordance to the strategy.

China Life Insurance Company Limited elucidates the proactive competition strategy. American International Group, Inc. aims at being the first-choice provider of financial services and insurance. This idea is also followed by AXA Group. The group wants to be the preferred company. As clarified in the vision, AXA Group sets on differentiation.

Responsibility

In the insurances market, responsibility is less important than in most other analyzed markets. Whereas in American International Group, Inc.'s available information no hint on responsibility could be found, China Life Insurance Company Limited points to its micro-insurance products. Only AXA Group mentions cooperations with non-profit organizations as well as the aim to reduce its impact on the environment. Moreover, in the vision, AXA Group defines the importance of adequate citizenship in the society the company acts in.

Insurances and the PNC

In accordance with the PNC, the following aspects can be highlighted in the insurance market: With respect to culture links, similar to the service companies in general, INCENTIVE CULTURE and WORK CULTURE as well as the INTERNAL COMMUNICATION CULTURE are important. Cost savings at American International Group, Inc. hint to COST CULTURE, compared with a PRODUCT CULTURE of industrial leading products. Additionally, GOVERNANCE CULTURE should be named here: A sustainable growth is aimed. INNOVATION CULTURE is more understood as a team tool – entrepreneurial thinking is, as at Google Inc., supported. Overall, HRM of the production links is one compelling aspect.

However, no explicit information is given on how customers are convinced. As insurance companies are SERVICE providers, an EXTERNAL COMMUNICATION CULTURE might be of interest. To gain customers, the companies compete relatively aggressively. Only few relationship links of the PNC can be highlighted. These are SELLING PARTNERS, mentioned in the available data as distribution partners,

SHAREHOLDER RELATIONSHIP, in the data named shareholder satisfaction or value, and CUSTOMER RELATIONSHIP. With respect to the latter aspect, AXA Group explicitly names the government as a customer to work with.

The three analyzed companies define their competitive position on the market and underline their COMPETITIVE RELATIONSHIP. A cooperative part, as suggested in literature, could not be confirmed. In contrast to that, the combined relationship was found at the services in general sample. Some ACQUISITIONS take place.

With respect to RESPONSIBILITY, the insurance market is the one with the fewest impact. The only hint on responsibility is set by AXA Group aiming at adequate citizenship in the society. This handling is different to service companies in general, where social and environmental responsibility were explicitly named.

3.2.3 Banking: ING Group, Bank of America Corp., and Industrial and Commercial Bank of China Limited

In the foregoing parts, services in general and insurances have been analyzed. In this part, an additional sub-sector of services, namely banking, will be further elucidated. Meng (2009) argued that the majority of service features are shared by the banking industry. Nonetheless, the banking sector modifies a sustainable industrial development and expansion by allocating capital (Emtairah, Hansson, & Hao, 2006; Meng, 2009).

Howcroft, ul-Haq, and Carr (2011) empirically tested 60 large banks and came to the following conclusion. According to the authors, most banks concentrate on geographic regions or countries with familiar economic or cultural basics. These cultural impacts have already been filtered in the two foregoing parts. In fact, most banks operate internationally, but rarely globally. Only some global organizations exist. Three globally acting banks will be further analyzed in the following. These are the ING Group, Bank of America Corp., and the Industrial and Commercial Bank of China Limited. Due to the cultural influence in this industry, a short summary on the three regions is given first.

After the depressions of the late 1920s and the beginning 1930s, the American banks were subject to regulatory controls. This regulation decreased in the 1970s and

1980s (Sontheimer, & Thorn, 1986). Kim, Lozano-Vivas, and Morales (2007) further pointed to the geographic expansion of European and US-American banks that continuously takes place. The banking sector restructured globally in the 1980s and 1990s. Lo (2001) explained that in China, a market-oriented banking system evolved out of central planning. In 1984, the Industrial and Commercial Bank of China was founded. It was meant to take over enterprise and household deposits. Its aim was further to provide money for commercial enterprises. It was one of four specialized banks (Lo, 2001; Wieandt, & Moral y Santiago, 2005).

Neglecting historical and cultural aspects, DeYoung and Rice (2004) specified that different business strategies can be found at banks. This is due to the fact that advances in information technology, new financial processes, as well as deregulation encourage companies to develop different business models. Consequently, the once relatively homogeneous market developed.

In their study of 2004, Powers and Hahn (2004) found out that Porter's (1980, 1985) generic strategy theory is only partly applicable to the banking sector. Superior returns are not guaranteed if a bank follows a focus or differentiation strategy. However, the authors recommend a cost leadership strategy. Meng (2009) clarified that differentiation can be fast copied by competitors. In the past, this mainly took place by copying the Bank of America Corp.'s work. In fact, that bank sets the standard regarding execution, timing, and new business ideas (Rinzinwangmo, & Fengming, 2009).

Rinzinwangmo and Fengming (2009) emphasized the importance of having a long-term, well-structured, and balanced corporate strategy in the banking business. This has to be adapted to political and economic environment. Thus this part will have a closer look at the banking industry, and its strategic directions, and on possible cultural differences in regards to banks.

ING Group

By a merger between NMB Postbank Group and Nationale-Nederlanden, the Dutch ING Group was founded in 1991. However, the Group's roots go back to 1845.²⁵

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²⁵ See http://www.ing.com/Our-Company/About-us/History-of-ING.htm (29/03/2011), 01/17/2012.

Today, it is the largest bank in the world, scoring 17th (previous year: 12th) on the Fortune Global 500 list (Fortune Global 500 ING, 2011). The group consists of two parts, namely banking and insurances. Besides banking, the company offers retirement services, life insurances, as well as investments.²⁶

Bank of America Corp.

The history of the Bank of America Corp. goes back to 1784, when the Massachusetts Bank, the earliest predecessor, was established.²⁷ The company was the 15th largest company in 2010 and the 21st largest one in 2011, as the Fortune Global 500 list summarizes (Fortune Global 500 BAC, 2011). All kinds of businesses and individual consumers are provided with banking, asset management, investing and other risk management, as well as financial services and products.²⁸

Industrial and Commercial Bank of China Limited

Scoring 77th on the Fortune Global 500 list, the Industrial and Commercial Bank of China Limited has increased since 2009 (rank 87) (Fortune Global 500 ICBC, 2011). The bank was founded in 1984²⁹ and offers corporate as well as personal banking.³⁰

Employees and financial data

The ING Group had shrinking employee numbers of about 14 percent in 2009 and one percent in 2010. In contrast to that, the Chinese bank had relatively stable increases of employees of one and two percent in 2009 and 2010. At the Bank of America Corp., 16.7 percent more people worked in 2009 compared to 2008. In 2010, the workforce increased by one and a half percent.

See http://www.ing.com/Our-Company/About-us/ING-and-the-parliamentary-inquiry-1.htm (2011), 12/15/2011.

²⁷ See http://message.bankofamerica.com/heritage/#/ourheritage (n.d.), 01/17/2012.

²⁸ See http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-homeprofile (2011), 14/12/2011.

²⁹ See http://www.icbc-ltd.com/ICBCLtd/About%20Us/ICBC%20History/ (n.d.), 01/04/2012.

³⁰ See http://www.icbc-ltd.com/ICBCLtd/Products%20%20Services/Personal%20Banking/ (n.d.), 01/17/2012.

In the banking sector, financial developments are different to most other markets analyzed in this work. Two of the three banks, namely Bank of America Corp. and Industrial and Commercial Bank of China Limited had increases in 2009 of 63.5 percent and 16.4 percent between 2008 and 2009. The ING Group, in contrast, had 28 percent less total income in 2009. In 2010, its income rose by 14.9 percent.

The Bank of America Corp.'s total net revenue decreased by eight percent in 2010. Industrial and Commercial Bank of China Limited's net profit increased by 28.3 percent. Summing up, the banking sector developed heterogeneously. Increases as well as decreases could be found in the two periods focused. Especially the increases in financial data in 2009 at Bank of America Corp. and Industrial and Commercial Bank of China Limited show the differing development to other markets: Most industries experienced downs in the same period.

Strategy analyses

Banking companies try to provide core financial services worldwide according to the customer's wishes. The customers can be individuals, businesses, and institutional investors, as the Bank of America Corp. clarifies. All three banks set on exemplary or fine service and convenience.

Besides high quality service, shareholder interests are accentuated. Industrial and Commercial Bank of China Limited, for example, wants to provide maximum returns to shareholders with best profitability. Furthermore, the Chinese Bank focuses on real success for its people and wants to contribute to society. Bank of America Corp. defines itself as being the best place for people to work. ING Group serves the stakeholders' interests and implements a two-way stakeholder exchange. Additional aspects mentioned are risk management, competitive prices, and good marketing.

Cooperations

The three global banks own shares of other banks. Moreover, partnerships and mergers are made. The banking sector is thus relatively cooperative. ING Group further elucidates to build on its international network in the future.

Responsibility

As mentioned above, Industrial and Commercial Bank of China Limited wants to contribute to society. Besides the aim to have a positive impact on stakeholders, the responsibility focus of the analyzed banks lies on social commitment. Partnerships with non-profit organizations are mainly made for educational programs. Additionally, grants are funded and underserved communities provided with capital or kind. ING Group also focuses on environmental responsibility.

Banking and the PNC

The banking sector focuses a couple of aspects of the PNC, to be elucidated in this part. The culture links are similar to the service in general ones. At the analyzed banks, the customer wishes dominate the services. Consequently, PRODUCT CULTURE and EXTERNAL COMMUNICATION CULTURE are vital. Some INNOVATION CULTURE has to take place to convince existing and potential new customers of the offers. Nevertheless, innovation is not as important as in other industries. With its call for acting with integrity, being open and clear, respecting each other, and giving answers to simplicity, reliability and transparency, the ING Group further points to INTERNAL COMMUNICATION CULTURE, WORK CULTURE, INCENTIVE CULTURE, and GOVERNANCE CULTURE.

The summarized culture links have to be coordinated with the customers' wishes. As a consequence, the relationship link CUSTOMER RELATIONSHIP is of highest importance. Here literature advises to have a look on the cultural aspects of the societies the banks operate in. A well developed GOVERNANCE CULTURE and an EXECUTIVE MANAGEMENT (see production links) guarantee the needful adaptations to cultural aspects, but also to customer types. This is supported by risk management. In fact, individuals need other financial services than businesses or institutional investors. COST CULTURE is of highest importance to the banks. This fact is confirmed by literature, as it was explained in the introductory to this part.

Besides the production link of the EXECUTIVE MANAGEMENT mentioned above, excellent SERVICE is a needful condition for satisfying global needs. This is enabled by an optimized HRM.

Focusing on relationship links, the following conclusion can be made: Cooperations, mainly on horizontal basis, are often contracted. Thus COMPETITIVE AND COOPERATIVE RELATIONSHIPS are obtained. In addition to that, CUSTOMER RELATIONSHIP, as already mentioned, is important. MARKETING AND MARKET COMMUNICATION is needful to win customers. A maximization of shareholder values hints to SHAREHOLDER RELATIONSHIP. RESPONSIBILITY mainly focuses on social and environmental aspects. Partnerships with non-profit organizations exist.

3.2.4 Transport and Travel: China Railway Group Limited, Deutsche Bahn AG, Deutsche Lufthansa AG, and American Airlines, Inc.

In this part, railway as well as airline companies will be analyzed. These are China Railway Group Limited and Deutsche Bahn AG, as well as two airline companies, namely Deutsche Lufthansa AG and American Airlines, Inc.

The Chinese logistics market is subject to change. Luger (2008) pointed to the growing importance of efficient transport possibilities in China. However, by 2008, China Railway Group Limited, one of the two railway companies of interest in this part, was still relatively inefficient. An increase in population and a growing and changing economy ask for developments in the Chinese railway system. Although the transport possibilities of passengers and goods have increased in the last years, this network is mainly concentrated in east and south China (Luger, 2008). However, the company is the largest transport and travel company in the world and will be analyzed, together with Deutsche Bahn AG and two airway companies, in the following.

The second company centered in this part is Deutsche Bahn AG. It is the German counterpart of China Railway Group Limited. Deutsche Bahn AG expects its number of customers to grow. The company defines itself as a provider of environmentally-compatible and efficient services. This is what customers increasingly demand. China Railway Group Limited as well as Deutsche Bahn AG provide transport and travel possibilities. Airline services are consequently their competitors.

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³¹ See http://www1.deutschebahn.com/ecm2-db-en/ir/dbgroup/factsheet_e.html;jsessionid=D6B06F8 68A934E98830E24F00304F0AC.ecm-ext-cae-slave1-berka (01/07/2011), 12/13/2011.

Corridore (2011) hinted to dependencies of the airline industry on oil prices. The author further explained the US airline industry to be transformable. Dissolutions, bankruptcies, restructuring, and mergers have been made for ten years. A decrease of separate companies is the consequence. In contrast to that, American Airlines, Inc., is called proponent of mergers. Besides mergers and acquisitions, Januszewksi Forbes and Lederman (2009) highlighted the complexity of the airline industry. Based on incomplete contracts, regional subcontractors carry out the airlines' duties. In the following, the question whether mergers and acquisitions still dominate the business and whether partnerships with subcontractors are still made, is elucidated. Additional strategic directions will be further highlighted.

China Railway Group Limited

China Railway Group Limited increased from rank 137 to rank 95 on the Fortune Global 500 list (Fortune Global 500 CRR, 2011). Based on the Design Bureau of the Ministry of Railways which has existed since 1950, the China Railway Group Limited was founded in 2007 (China Railway Group Limited Interim Report, 2010). To the core business belongs railway construction. Shares are not hold by the employees (China Railway Group Annual Report, 2010).

Deutsche Bahn AG

In 1994, Deutsche Bahn AG became public and is today an integrated corporation. Nine interrelated business parts operate on the market. These are Deutsche Bahn AG which controls the DB Netze Energy, DB Netze Track, and DB Netze Stations. DB Mobility Logistics AG manages six businesses in the field of mobility, logistics, and service. The Deutsche Bahn AG is mainly present in Germany, but works also globally in the field of logistics and transport. According to the Fortune Global 500 list of 2010, the company is the 185th largest one in the world, having lost ranks from 177th (Fortune Global 500 DB, 2011).

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³² See http://www.crec.cn/en/tabid/176/Default.aspx (n.d.), 11/30/2011.

³³ See http://www.crec.cn/en/tabid/234/Default.aspx (n.d.), 11/30/2011.

See http://www1.deutschebahn.com/ecm2-db-en/ir/dbgroup/group_profile.html (2011), 12/13/2011.

See http://www1.deutschebahn.com/ecm2-db-de/ir/db_konzern/konzernprofil.html (2011), 11/29/2011.

Deutsche Lufthansa AG

Deutsche(n) Luft Hansa A.G. (Deutsche Lufthansa AG) was founded in 1926 as a reunion of Deutsche Aero Lloyd and Junkers Luftverkehr. ³⁶ Today, Deutsche Lufthansa AG is the 245th largest company in the world, having lost one rank compared to the list of 2010 (Fortune Global 500 DLAKY, 2011). Five business parts set the company together, namely the Passage Airline group, logistics, techniques, catering, as well as IT services. Additionally, more than 400 subsidiaries and affiliated companies belong to Deutsche Lufthansa AG.³⁷

American Airlines, Inc.

Set together by some companies, the American Airlines, Inc., was founded in 1937.³⁸ Together with American Eagle Airlines, it belongs to the group AMR and can profit from an intense international network.³⁹ On the Fortune Global 500 list, American Airlines, Inc., ranks 438th and thus lost three ranks compared to 2010 (Fortune Global 500 AMR, 2011).

Employees and financial data

China Railway Group Limited's and Deutsche Lufthansa AG's number of employees steadily increased by three to four percent in 2009 and 2010. Deutsche Bahn AG experienced a decrease of a half percent in 2009 and a re-increase of 15.4 percent in 2010. American Airlines, Inc., unlike the others, has steady workforce decreases, namely by six and one percent.

China Railway Group Limited belongs to the companies with the highest increases in financial data. The revenue growth lay at 48.4 and 36.5 percent in 2009 and 2010. Deutsche Bahn AG, Deutsche Lufthansa AG, as well as American Airlines, Inc., had less money in 2009 compared to 2008. In fact, Deutsche Bahn AG had a decrease of revenues of 12.3 percent, American Airlines, Inc., by 16.2 percent in 2009. Increases of 17.3 and eleven percent could be experienced in 2010. Deutsche Lufthansa AG's operating revenue developed similarly with a decrease of ten percent in 2009 and an

³⁶ See http://konzern.lufthansa.com/de/geschichte/1920er-jahre.html (n.d.), 12/02/2011.

³⁷ See http://konzern.lufthansa.com/de/unternehmen/unternehmensprofil.html (n.d.), 11/29/2011.

³⁸ See http://www.aa.com/i18n/amrcorp/corporateInformation/facts/history.jsp (2011), 11/29/2011.

³⁹ See http://www.aa.com/i18n/amrcorp/newsroom/amr-corporation.jsp (n.d.), 12/02/2011.

increase of 22.6 percent in 2010. Besides the enormous increases at China Railway Group Limited, the financial developments at the other three analyzed companies are relatively similar with decreases in the 2008-2009 period and re-increases in the 2009-2010 period.

Strategy analyses

The two railway companies analyzed want to become top-class leading companies in the field of worldwide transport and travel. This should be achieved by convincing customers, employees, and owners, as Deutsche Bahn AG explains. China Railway Group Limited follows the same path. The company also wants to create enterprise value by a harmonious corporation and by satisfying shareholders as well as customers by excellence.

Similarly to the railway companies, the airlines center excellent quality and innovative services to convince customers. Additionally, Deutsche Lufthansa AG sets on safety and reliability. Customers, shareholders, and staff are provided long-term prospects. American Airlines, Inc., underlines respect to individuals, cultures, and communities in the core values.

The companies are subject to change. These changes are partly influenced by governments: American Airlines, Inc., names its dependency on laws and regulations. One of the core values is compliance with the law.

Cooperations

Mainly horizontal cooperations are made in the transport and travel sector. China Railway Group Limited builds parties. Deutsche Bahn AG cooperates with other transport companies and is part of Railteam.

Especially in the airline industry, alliances are of great importance. Structural and political regulations are often adapted regionally; the market is dynamic, as Deutsche Lufthansa AG Geschäftsbericht 2010 (2010) summarizes. Deutsche Lufthansa AG as well as American Airlines, Inc, belong to alliances. Deutsche Lufthansa AG underlines the strategic importance of partnerships and obtains

worldwide cooperation treaties. American Airlines, Inc., has regional affiliates, joint business agreements, and codeshare partners.

Responsibility

The four analyzed companies in the transport and travel market center environmental aspects in their responsibility statements. Deutsche Bahn AG wants to be energy efficient by reducing pollution. Besides the environment, China Railway Group Limited focuses on public welfare activities.

According to Deutsche Lufthansa AG, social projects, education, sports, and culture have to be supported. American Airlines, Inc., defines its responsibility in seven high-priority issues. It wants to provide safe and secure products and services that satisfy the customers. Relations to the workforce have to be made.

Transport and Travel and the PNC

The airline companies focus on INNOVATION CULTURE to provide innovative services. In fact, excellent and safe services are demanded. Thus, the PRODUCT CULTURE is also meaningful. Additionally to that, hints on WORK CULTURE, INCENTIVE CULTURE, INTERNAL COMMUNICATION CULTURE, and EXTERNAL COMMUNICATION CULTURE are given. A harmonious corporation, which China Railway Group Limited aims at being, is guaranteed by a GOVERNANCE CULTURE combined with an EXECUTIVE MANAGEMENT (production link). Additional production links are an excellent and safe SERVICE and JOINT-PRODUCTION ASSEMBLY, as e.g. partnerships with subcontractors, elucidated at the beginning of this part. The latter aspect is meant to underline the importance of horizontal cooperations, as alliances. R&D takes place, as e.g. in the field of engines and fuels at Deutsche Lufthansa AG.

With respect to the PNC, the following relationship links are important to transport and travel companies: COMPETITIVE AND COOPERATIVE RELATIONSHIP, ACQUISITIONS, CUSTOMER RELATIONSHIP, SHAREHOLDER RELATIONSHIP, as well as MARKETING AND MARKET COMMUNICATION. Some agencies sell tickets for transport and travel (SELLING PARTNERS). RESPONSIBILITY is of interest in environmental aspects. Moreover, some social projects are supported. Additionally,

interdependencies to governments should be noted. Despite relationship with suppliers, all relationship links can be found in the transport and travel industry. It is thus a relatively cooperative business.

3.2.5 Post and Delivery: Japan Post Group, Deutsche Post DHL, and United States Postal Service

Historically grown, post companies are subject to policy changes. 40 In fact, this means privileges on the one hand, but also duties to perform on the other hand. As an example, the United States Postal Service is not seen as a natural monopoly that evolved in history. It is rather interpreted as being supported by government laws. These laws that could and still can be found worldwide enable the post in the different countries to develop a monopoly (Carbaugh, 2007). As in the USA, the majority of post companies operates or has once operated as monopolists. However, in the US-American market as well as in Europe and Japan, the monopolies were at least partly broken and private companies enter the market (Eccles, & Kuipers, 2006; Maruyama, 2006; Carbaugh, 2007). This led to more market-oriented and customer-oriented structures at the Post companies and to expansion (Lotz, 2007). Consequently, the once monopolistic market of the post and delivery industry has developed in the foregoing years. Due to changes in the market, most post companies nowadays face competition from private companies. In addition to that, the increasing acceptance of e-mail as a communication method and other electronic communication services led to a decrease of the market size (Carbaugh, 2007).

Be it as it may, Maruyama (2006) elucidated difficulties for no-name post market entrants. First, most customers have brand loyalty to the long existing postal service providers. Second, cost disadvantages in contrast to economies of scale that post companies profit from, occur. Third, special privileges that developed over the years are missing for the new entrants (Maruyama, 2006).

Japan Post Group is the largest post in the world. Deutsche Post DHL, the German counterpart, expects to grow organically in the upcoming years. ⁴¹ The two companies as well as United States Postal Service, whose historical example was shortly presented above, will be further looked at in the following.

41 See http://www.dp-dhl.com/de/investoren/der_konzern/ausblick.html (2011), 01/04/2012.

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⁴⁰ See e.g. http://about.usps.com/who-we-are/leadership/board-governors.htm (2011), 01/09/2012.

Japan Post Group

It is the third time that Japan Post Group is included in the Fortune Global 500 list. The company ranks 9th (previously: 6th) (Fortune Global 500 JPP, 2011). Supported by the Japan Holdings Law, Japan Post Group was established in 2006 as a private corporation and built on the postal services of 1871 (March 31, 2011 Japan Post Group Annual Report, 2011). The Japan Post Group is set together by four companies, namely Japan Post Network, Post Service, Japan Post Bank, as well as Japan Post Insurance.⁴²

Deutsche Post DHL

Deutsche Post DHL is located in Germany and is specialized in communications services and logistics services. These services are offered by four corporate divisions, namely Mail, Express, Global Forwarding, Freight, as well as Supply Chain. The company's history goes back to 1490. The Deutsche Post DHL was organized as a monopoly until its postal reform that began in 1989. Relatively seen to other post sectors, the German market was transformed lately and time-consuming, as Hungenberg and Hutzschenreuter (1998) exemplified.

The company is the largest post company in Europe. ⁴⁵ Deutsche Post DHL further states to be the safest provider between Asia and North America. ⁴⁶ Deutsche Post DHL ranks 93rd of the Fortune Global 500 list (last year: 86th) (Fortune Global 500 DPD, 2011).

United States Postal Service

A third global player in the field of post is United States Postal Service, ranking 109th (92nd in 2010) (Fortune Global 500 USP, 2011). In the USA, postal services have existed since the 18th century. ⁴⁷ In 1971, the United States Postal Service got the legal mandate to offering postal services. Acceptable prices are of importance to the company. United States Postal Service provides mailing services, as e.g. package

⁴² See http://www.japanpost.jp/en/group/map/ (2011), 11/29/2011.

⁴³ See http://www.dp-dhl.com/en/about_us.html (2011), 01/04/2012.

⁴⁴ See http://www.dp-dhl.com/en/about_us/history.html (2011), 01/04/2012.

⁴⁵ See http://www.dp-dhl.com/de/ueber_uns/unternehmensbereiche/brief.html (2011), 01/02/2012.

⁴⁶ See http://www.dp-dhl.com/de/ueber_uns/unternehmensbereiche/express.html (2011), 01/04/2012.

⁴⁷ See http://about.usps.com/who-we-are/postal-history/significant-dates.htm (2012), 01/09/2012.

services, periodicals, and standard mails, as well as shipping services, as e.g. priority or express mails, bulk international mail, and parcel post for commercial and individual customers (United States Postal Service Financial Report 2011, 2011).

Employees and financial data

All three postal companies had less employees in 2009, compared to 2008. More precisely, Japan Post Group reduced its people by two and a half percent, Deutsche Post DHL by six percent and United States. Postal Service by seven percent. This trend was continued in 2010 by Deutsche Post DHL (minus one and a half percent) and United States Postal Service (minus six percent). Japan Post Group's number of employees re-increased by one and a half percent.

Deutsche Post DHL as well as United States Postal Service had decreasing revenues in 2009, compared to 2008. These decreases were at five and nine percent. In contrast to that, Japan Post Group's net income grew with six and a half percent, but decreased by 7 percent in 2010. United States Postal Service still had a decrease of one and a half percent, whereas Deutsche Post DHL's revenues increased by more than eleven percent in 2010.

Strategy analyses

The Japanese, German, and US posts all center their customers in their strategic goals. Japan Post Group, for example, wants to demonstrate creativity and efficiency to meet the customers' expectations. Trust is centered.

Deutsche Post DHL's mission is somehow backward-oriented. It wants to remain a leader in Germany and the rest of the world. However, Deutsche Post DHL also highlights the relationship with customers and wants to enable them to be flexible. Deutsche Post DHL further wants to respect cultures. Besides customers, relationships with employees and shareholders are elucidated. Weaknesses have to be systematically addressed, as explained in the vision. This will make Deutsche Post DHL being able to offer the best available solution.

Whereas Deutsche Post DHL aims at being proactive, United States Postal Service sets on responding. To be more precise, United States Postal Service wants to

change to respond to customer needs and business environment. Here again, the customer is of special interest. Services should be secure, affordable, and reliable. Human resources are also indirectly addressed. The United States Postal Service aims at becoming a smarter, leaner, and faster organization.

Cooperations

Cooperations in the field of postal services are somehow different to other industries. Japan Post Group as well as Deutsche Post DHL do not announce any partnerships. To be more precise, Deutsche Post DHL even underlines the outstanding competitive position on the market. This is also relevant for United States. Postal Service. Nevertheless, besides being market dominant, the company explains having contracts with small, minority-owned, as well as women-owned businesses. Thus, at least some partnership exists. However, in order to send post products to other countries, the postal companies themselves have to somehow cooperate. Information on these cooperations are not available.

Responsibility

Environmental protection is especially important for Deutsche Post DHL and United States Postal Service. The former defines itself as being the leading provider of climate-neutral products and energy-efficient transport. Herein, the Germans see a competitive advantage as a growing number of customers request environmental friendly products and services. Additionally to environmental aspects, social needs are addressed. Japan Post Group supported the Japanese earthquake victims. United States Postal Service and Deutsche Post DHL also provide personnel for help.

Post and Delivery and the PNC

The following aspects of the PNC are explicitly accentuated: PRODUCT CULTURE, INTERNAL COMMUNICATION CULTURE, WORK CULTURE, and HRM (of the production link). The industry has a relatively high amount of employees that deliver the products. Thus, the HRM is of special interest and monetary and non-monetary incentives (INCENTIVE CULTURE) are provided. In literature, cost advantages of post companies are named. As a result, COST CULTURE should be added as a culture link.

Creativity, proactivity, and efficiency are aimed at and link to GOVERNANCE CULTURE. Innovation culture is pointed to by Deutsche Post DHL.

Focusing production links, one can add the following aspects: EXECUTIVE MANAGEMENT, SALES, and SERVICE. CUSTOMER RELATIONSHIP is valued by all three companies. This can be linked to the historical development of brand loyalty, as explained above. Products and services are sold online and in retail outlets and sales points (SELLING POINTS/PARTNERS). United States Postal Service has partnerships with kiosks and retailers, as an increasing number of own facilities are closed due to costs. ACCOUNTING takes place according to accepted principles. SALES are continuously optimized.

Logistics and communication services are offered, marketed via paper-based and online MARKETING AND MARKET COMMUNICATION. Cooperations with e.g. retailers, as Deutsche Post DHL hints to, in combination with an outstanding market position, underline the COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP. Besides, SHAREHOLDER RELATIONSHIP and CUSTOMER RELATIONSHIP are named. Concerning RESPONSIBILITY, Deutsche Post DHL defines its climate-neutral attempt as a competitive advantage. At posts, environmental and social needs are faced. Moreover, responsible relationships to minority-owned businesses, thus SUPPLIER RELATIONSHIP and JOINT-PRODUCTION ASSEMBLY, are supported by the United States Postal Service. Furthermore, the company sets on supplier diversity. Deutsche Post DHL buys all-inclusive packages from high-performance suppliers. Some ACQUISITIONS take place.

3.2.6 Media and Entertainment: Vivendi SA, The Walt Disney Company, and SoftBank Corp.

Media corporations play a powerful role for both, in providing information, and for the production of culture, as Hollifield (2001) clarified. The media and entertainment market includes the segments radio, TV, magazines, and newspapers (Sjurts, 2005). A broader definition can be used, as boundaries of the market become less distinct (Gershon, 2000). Thus, entertainment will be included. Following this, three global acting companies are of interest in this part: Vivendi SA, The Walt Disney Company, and SoftBank Corp.

The media market transformed in the 1990s and became increasingly global. Beforehand, domestically owned newspaper, radio, and television companies defined the market. These companies are still partly subsidized to stay competitive. However, global oligopolists have been created from the 21st century on. Already by 1999, The Walt Disney Company, one of the further analyzed companies in the following, was one of the eight largest media companies in the world (McChesney, 1999).

Due to deregulations and technical forthcoming as the digitalization, worldwide competition still increases. Relatively low market entry barriers to the Internet motivate companies to become international and global. Media companies are forced to expand and grow and today, the market is globally competitive. Asserting on the market is difficult, the market concentrates. Acquisitions take place on the world market and lead to a further concentration of the market. In contrast to its counterparts, The Walt Disney Company sets on internal growth, not on acquisitions (Gershon, 2000; Sjurts, 2005).

Sjurts (2005) further elucidated the interdependences and crosslinks in the media market. Especially the large companies develop related as well as unrelated businesses, as e.g. telephony. In fact, companies are innovative and try to differentiate to compete on the market. This complicates an analysis, as the majority of large companies increasingly operate in different business segments. Based on these developments, coopetition can be found in the media market (Gershon, 2000; Sjurts, 2005). In the following, the available information was analyzed to find out today's strategic directions of media companies.

Sjurts (2005) summarized Vivendi SA to have a differentiation strategy in the field of pay TV. Overall, the company's focus lies on innovative developments. Company growth is guaranteed by acquisitions.

Gershon (2000) pointed to the uniqueness of The Walt Disney Company. With a product name and a history, the customers identify themselves with the company. This might be the reason why neither a clear strategy statement, nor a mission or philosophy, nor a code of conduct could be found in the available information.

Vivendi SA

The French company Vivendi SA was founded in 2001.⁴⁸ Steadily being forced to respond to the changing market, the company today ranks 225th (previous 189th) of the Fortune Global 500 list (Fortune Global 500 VIVEF, 2011). Vivendi SA sees itself as a world leader in the field of entertainment and communications.⁴⁹ The company is set together by 6 business parts, namely video games, music, two mobile/fixed/internet parts, fixed/internet, and pay-TV/cinema.⁵⁰

The Walt Disney Company

Since 1923, the The Walt Disney Company, together with its affiliated companies, provides family entertainment. The media enterprise can be grouped into four segments, namely media networks, studio entertainment, parks and resorts, as well as consumer products. ⁵¹ It scores one behind Vivendi SA: 226th of the Fortune Global 500 list (previously 199th) (Fortune Global 500 DIS, 2011).

SoftBank Corp.

SoftBank Corp. is the 257th largest company in the world (before: 263) (Fortune Global 500 SFTB, 2011). It was established in 1981 in Japan.⁵² Set together by the mobile communications segment, it offers products and services in the Broadband Infrastructure Segment, the fixed-line Telecommunications Segment, the Internet Culture Segment, and others (SoftBank Annual Report 2011, 2011). At the beginning of the 21st century, SoftBank Corp. was interpreted as the Japanese flagship in the new economy (Lynskey, & Yonekura, 2001).

Employees and financial data

Vivendi SA's number of full time employees increased steadily, namely by nine and 13.2 percent between 2008 and 2010. The Walt Disney Company and SoftBank Corp. developed contrarily. Whereas The Walt Disney Company had a decrease of

 $^{^{48}}$ See http://www.vivendi.com/vivendi/Company-history# (2011), 12/05/2011.

⁴⁹ See http://www.vivendi.com/vivendi/Strategy# (2011), 12/05/2011.

⁵⁰ See http://www.vivendi.com/vivendi/Simplified-Organization-Chart# (2011), 12/05/2011.

See http://corporate.disney.go.com/corporate/overview.html (n.d.), 12/05/2011; http://corporate.disney.go.com/corporate/overview.html, 12/05/2011.

⁵² See http://www.softbank.co.jp/en/info/profile/data/ (n.d.), 12/05/2011.

four percent in 2009 and an increase of nearly three and a half percent in 2010, SoftBank Corp.'s workforce increased by four percent in 2009 and decreased by a half percent in 2010.

Vivendi SA had a relatively stable increase of revenues of nearly seven percent in 2009 and about six and a half percent in 2010. The Walt Disney Company's net sales decreased in 2009 four and a half percent, but re-increased by five and a half percent in 2010. At SoftBank Corp., an increase of net sales of three and a half and nine percent could be experienced in 2009 and 2010.

The three companies developed differently with respect to their employees. In financial data development, increases by three and a half percent up to nine percent could be experienced by the three companies. The only exception is The Walt Disney Company's 2008-2009 period.

Strategy analyses

Vivendi SA as well as SoftBank Corp. center the customers in their visions. Vivendi SA wants to encourage emotions digitally. SoftBank Corp. aims at inspiring people and make them smiling. This people-centering is also followed in the strategy statement. SoftBank's Corp. desires to improve society and wellbeing. This focus is furthermore underlined by the philosophy. Moreover, the company wants to maximize its value through the IT revolution.

In addition to that, Vivendi SA and The Walt Disney Company focus on innovativeness. The short literature review above already hinted to innovation. In fact, The Walt Disney Company wants to produce unparalleled entertainment by exceptionally telling a story in high quality. Vivendi SA wants to be innovative and creative, as stated in its seven values. Moreover, the company underlines its consumer focus, cultural diversity, teamwork, ethics, and social responsibility. The latter will be further elucidated in the following, after having highlighted cooperations.

3. Industry-by-industry analyses (Power Network Analysis) and data analysis

Cooperations

The statements regarding cooperations are different at all three companies. Whereas Vivendi SA emphasizes its competitive advantage, The Walt Disney Company invites companies to partner with it. SoftBank Corp. even wants to evolve in cooperation with its business partners.

Responsibility

One of Vivendi SA's seven values is corporate responsibility. The company supports a compliance program and youth projects. The Walt Disney Company focuses on charitable contributions to society while simultaneously trying to have an impact on environmental issues. SoftBank Corp.'s responsibility aim is even broader. SoftBank Corp. formulates seven CSR directions. These focus on shareholders, employees, customers, and business partners. Furthermore, the company wants to foster a healthy internet society that the coming generation can profit from, also by saving the planet.

Media and Entertainment and the PNC

One can conclude that especially for The Walt Disney Company, only little information is available. The Walt Disney Company mostly features its unique figures, but does not explicitly state any vision, mission, or values. These figures show that the PRODUCT CULTURE of the PNC is underlined, even though not explicitly stated. For the media companies, innovativeness is of highest importance. Consequently, the PNC aspects INNOVATION CULTURE and R&D (production link) should be highlighted. All three companies are customer-oriented and center the wants into the strategic direction. The aspects EXTERNAL COMMUNICATION CULTURE and INTERNAL COMMUNICATION CULTURE are thus important. Teamwork is guaranteed by an INCENTIVE CULTURE and a WORK CULTURE. A well structured GOVERNANCE CULTURE has to be existent.

Besides the already named aspect R&D of the production links, SERVICE and EXECUTIVE MANAGEMENT should be added, as well as a partly JOINT-PRODUCTION ASSEMBLY. Furthermore, the following relationship links can be accentuated: MARKETING AND MARKET COMMUNICATION as well as CUSTOMER RELATIONSHIP.

RESPONSIBILITY takes place in social and environmental projects. As literature suggested, COMPETITIVE AND COOPERATIVE RELATIONSHIPS exist on the media market. Moreover, according to literature, ACQUISITIONS take place.

3.2.7 Telecommunication: AT&T Inc., Nippon Telegraph and Telephone Corporation, and Deutsche Telekom AG

The telecommunication industry has always fitted its products and services to local market needs (Fleury, & Fleury, 2003). Laffont and Tirole (2001) thus saw the telecommunication market as a unique example for being analyzed. Whether several global trends for the local-oriented industry can be observed will be found out in this part.

In 2010, the information and communication technologies had a world market volume of 2,523 billion Euros. The USA possesses 28.7 percent of this market, Japan about nine percent, and Germany five percent. The market is set together by IT- and telecommunication hardware, consumer electronics, software, and services (Scheer, 2010). Ever since 2005, the fixed telephony has declined and saturated. Today, the telecommunication market is defined by mobile-cellular telephony. Historically, the mobile-cellular market has ever been the fastest growing market in the field of telecommunication service. In fact, saturation levels are also reached in this part of the market, especially in the developed countries (International Telecommunication Union, 2011).

Until the 1990s, telecommunication was mainly monopolistically organized. Most monopolists were state-owned national companies that operated in the market. This was due to the fact that high fixed costs led to the building of natural monopolies. Since that time, transformations, especially in cost structures, made the industry becoming a relatively volatile industry (Rohrbeck, Hölzle, & Gemünden, 2009). These transformations were brought forward by technological changes and a following deregulation (Laffont, & Tirole 2001; Fleury, & Fleury, 2003). Laffont and Tirole (2001) came to the conclusion that a faster development of competition took place in the industry. Ever since the increasing competition, few cooperations can be discovered in the telecommunication market, as Sjurts (2005) found out. In fact, three companies will be in focus in the following. These are AT&T Inc., Nippon Telegraph and Telephone Corporation, and Deutsche Telekom AG.

AT&T Inc.

According to the Fortune Global 500 list of 2011, the US-American company AT&T Inc. is the 30th largest company in the world (previous year: 21st) (Fortune Global 500 T, 2011). AT&T's history goes back to 1884.⁵³ The network supports individuals and businesses. In future, the company wants to invest in mobile broadband, advances business solutions, and an advanced platform for TV, voice, and broadband services (AT&T Inc. 2010 Annual Report, 2010). AT&T Inc. is privately regulated (Laffont, & Tirole, 2001).

Nippon Telegraph and Telephone Corporation

Since its privatization in 1985, the Japanese company is known as Nippon Telegraph and Telephone Corporation. It provides broadband and ubiquitous services. Five segments build the group: Regional Communications Business, Mobile Communications Business, Data Communication Business, Long Distance and International Communications Business, and Other Businesses (Nippon Telegraph and Telephone Corporation Annual Report 2011, 2011)). The Japanese Nippon Telegraph and Telephone Corporation is the 31st largest company in the world in 2011 and 2010 (Fortune Global 500 NTT, 2011).

Deutsche Telekom AG

The telecommunication market in Germany was organized as a monopoly until the reform in 1989 (Hungenberg, & Hutzschenreuter, 1998). Deutsche Telekom AG scores 75st on the 2011 list, having lost 16 ranks compared to 2010 (Fortune Global 500 DT, 2011). Deutsche Telekom AG operates in the following segments: Information technology, telecommunications services, multimedia, security services, information, and entertainment. Additionally, sales and agency services are provided via subsidiaries. 32 percent of Deutsche Telekom AG are held by the Federal Republic (Deutsche Telekom AG Annual financial statements as of December 31, 2010, 2010).

⁵³ See http://www.att.com/gen/investor-relations?pid=5711 (2012), 03/23/2012.

Employees and Financial Data

The number of employees developed differently in the telecommunication market, but similar to the financial data trend. AT&T Inc. had losses in the workforce of six and a half and six percent in 2009 and 2010. The operating revenues also decreased in 2009, namely by one percent. In 2010, revenues re-increased by one and a half percent.

Nippon Telegraph and Telephone Corporation had a decrease of employees by one percent and of total operating revenues by three percent in 2009. In 2010, both data increased, namely by 12.5 and one percent. Deutsche Telekom AG experienced increases of employees by two percent. Net revenues remained stable. 25.7 percent less people worked for Deutsche Telekom AG in 2010. Net revenues reduced by 76.6 percent. This is one of the highest decreases of the analyzed data.

Strategy analyses

AT&T Inc. wants to drive innovation. People should be empowered to connect and collaborate to innovate. Summing up, employees are of special interest to the company's strategy. An open innovation environment is build up.

Nippon Telegraph and Telephone Corporation centralizes communication in its goals. To be more precise, core values are communication between people, communities, as well as with the global environment, safe and secure communication, and team communication. The employees are thus centered in the company's goals. Business partners are integrated into the basic philosophy. Nippon Telegraph and Telephone Corporation further elucidates financial aspects. The company wants to satisfy shareholders and investors and to clarify accountability. Growth is fostered, as at the other companies.

Deutsche Telekom AG wants to follow the strategy of fixing, transforming, and innovating. Customers are also integrated into the company values, as at the counterparts. Teamwork and respect show the employees' importance.

3. Industry-by-industry analyses (Power Network Analysis) and data analysis

Cooperations

Cooperations can rarely be found in the field of telecommunication. In the available data, no information on partnerships with other companies could be found; neither for AT&T Inc., nor for Deutsche Telekom AG. Nippon Telegraph and Telephone Corporation has some partnerships with manufacturers and cooperative ventures with business partners, not further explained. In fact, the market is relatively competitive. AT&T Inc. defines its leadership position. Deutsche Telekom AG makes clear to be one of the world's leading integrated telecommunication companies.

Responsibility

The three telecommunication companies mainly center environmental protection in their responsibility definitions. Nippon Telegraph and Telephone Corporation calls it the green vision 2020. Nippon Telegraph and Telephone Corporation helped Japan earthquake victims. Deutsche Telekom AG supports social responsibility, AT&T Inc. on people and community in general. The latter further sets on technology concerning responsibility.

Telecommunication and the PNC

As the companies sell communication, EXTERNAL COMMUNICATION CULTURE and INTERNAL COMMUNICATION CULTURE are valued. All companies center their employees. Thus WORK CULTURE should be emphasized. Next to that, the telecommunication companies set on INNOVATION CULTURE.

With respect to production links, the aspects HRM, ACCOUNTING, and SERVICE were highlighted in the available information. CUSTOMER RELATIONSHIP is the aspect of the PNC the most referred to. Cooperations are rarely existent, as it was foreseen by literature. The only company to underline having partnerships with competitors is Nippon Telegraph and Telephone Corporation. Consequently, the following relationship links are hinted to: SHAREHOLDER RELATIONSHIP, environmental and social RESPONSIBILITY, as well as competition. The COMPETITIVE AND COOPERATIVE RELATIONSHIP can partly be supported, as already suggested in the literature review.

3.2.8 Aircraft: The Boeing Company, EADS Group, and Aviation Industry Corp. of China

In the fourth part of the analyses, in (4) Transport and Travel, two airline companies are elucidated. Deutsche Lufthansa AG and American Airlines, Inc., were examples for transporting and travelling by plane. In this part, the production of planes etc. is further highlighted. From here on, production is centered into research. Service is now considered as an additional aspect of strategy, not as the core business of the enterprises.

The aircraft industry is set together by a relatively small amount of companies. International trade is of great importance, because learning by doing as well as economies of scale force companies to export and import (Pavcnik, 2002). In the following, the US-American The Boeing Company, the European EADS Group, and the Aviation Industry Corp. of China are scrutinized.

Klepper (1994) and Pavcnik (2002) showed that the aircraft industry has conflict potential. Subsidies paid by European governments from the late 1960s on were meant to build a competitor in the field of aircraft transport. Airbus, nowadays a part of EADS Group⁵⁴, was able to enter the market and to survive. In fact, entering the aircraft market is time-consuming and expensive. Economies of scale and scope dominate (Klepper, 1994). Klepper (1994) explained two ways of competition with respect to aircraft. These are long-run decision concerning product capacity and product choice. Learning effects occur, as it was already explained in chapter 1 of this work in the learning curve examples. Short-run output levels are relatively inflexible. According to Nolan and Zhang (2002), the complexity of the products implicates the competitive advantage to integrate the entire supply system in the production process. This complexity also leads to joint-ventures between the companies (Nolan, & Zhang, 2002).

In the 1990s, three main producers of large transport airport existed, namely The Boeing Company, Airbus (a part of EADS Group⁵⁵), and McDonnell Douglas. The companies had 50 percent, about 35 percent, as well as up to 15 percent market share (Klepper, 1994). Besides from subsidies for Airbus, European and US

55 See http://www.eads.com/eads/int/en/our-company.html (n.d.), 03/01/2012.

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⁵⁴ See http://www.eads.com/eads/int/en/our-company.html (n.d.), 03/01/2012.

producers also profited from trade and domestic policies and agreements (Pavcnik, 2002, Douglas, & Pavcnik, 2004). The Boeing Company foresees market growth rates in the field of airline and cargo traffic of over five percent between 2010 and 2030. As the number of passengers increases, airplane fleets will grow. ⁵⁶ This leads to an increase of aircraft demand by transport and travel companies, as they were analyzed in the part (4) Transport and Travel.

According to EADS Group, the following four trends have to be faced by the aircraft industry: An increase of world mobility by a simultaneous change of environmental requirements, a world which is unstable, a widening gap between Europe and the USA, and a hyper-competitive world. ⁵⁷ Additionally, Goldstein (2006) foresaw a reshape of global aerospace due to an emergence of the Chinese aircraft manufacturing. The author pointed to China's aim to become globally competitive in the field of aircraft manufacturing. This effort goes back to the mid-1990s. Joint-ventures and cooperations were made to develop the aircraft industry. Andersen (2008) prognosticated China to become a main actor in the field of civil aircraft. By the end of 2007, the majority of China's civil aircraft fleet was of Western plans. It is expected to change in the upcoming years as the fleet is expected to grow until the 2020s. However, improving airport structures is a necessary precondition. Additionally, the capacity utilization has to become more efficient (Goldstein, 2006; Pritchard, & MacPherson, 2007).

The Boeing Company

Ranking 114th on the Fortune Global 500 list of 2011 (foregoing year: 91st), The Boeing Company is the largest aerospace company in the world (Fortune Global 500 BA, 2011).⁵⁸ It was established in 1916 as the Pacific Aero Products Company.⁵⁹ Today, The Boeing Company provides jetliners, defense articles, security, as well as

See http://www.boeing.com/commercial/cmo/pdf/Boeing_Current_Market_Outlook_2011_to_2030.pdf (2011), 01/18/2012.

See http://www.eads.com/eads/int/en/our-company/our-strategy/vision-2020.html (n.d.),

⁵⁸ See http://www.boeing.com/companyoffices/aboutus/brief.html (2011), 11/28/2011.

space systems which are sold by the business units Boeing Defense, Space & Security, and Boeing Commercial Airplanes. Innovation is of long tradition.⁶⁰

EADS Group

EADS Group was founded in 2000. It is set together by four companies producing airplanes, satellites, jets, and security solutions, and helicopters. ⁶¹ EADS Group ranks 126th of the 2011 Fortune Global 500 list (2010: 111th) and is headquartered in the Netherlands (Fortune Global 500 EADS, 2011).

Aviation Industry Corp. of China⁶²

In the period 2010-2011, Aviation Industry Corp. of China increased from the 330th to the 311th largest company in the world (Fortune Global 500 AVIC, 2011). In 2002, it already belonged to the most important companies for Chinese policy (Nolan, & Zhang, 2002). Having been reorganized in 2008, Aviation Industry Corp. of China nowadays comprises about 200 companies operating in different business areas. These smaller companies concentrate on e.g. aircraft, helicopters, defense, heavy machinery, and electromechanical systems.⁶³

Employees and financial data

The number of employees in the field of aircraft is relatively stable. Whereas The Boeing Company had about three percent less people working for them in 2009 compared to 2008, EADS Group and Aviation Industry Corp. of China had increases of one and two percent. In 2010, the increases lay between two (The Boeing Company, EADS Group) and three and a half (Aviation Industry Corp. of China) percent.

In contrast to most industries that faced a decrease of sales from 2008 to 2009, the aircraft industries had divergent results. EADS Group had losses of about one percent, The Boeing Company as well as Aviation Industry Corp. of China grew

⁶⁰ See http://www.boeing.com/companyoffices/aboutus/brief.html (2011), 11/28/2011.

⁶¹ See http://www.eads.com/eads/int/en/our-company.html (n.d.), 03/01/2012.

⁶² Note: The company website is rarely available in English. Thus secondary websites are used for analysis.

⁶³ See http://www.avic.com/cn/EnglishVersion/Introduction/History/index.shtml (n.d.), 12/21/2011; http://www.avic.com/cn/EnglishVersion/Introduction/Structure/index.shtml (n.d.), 12/21/2011; http://www.avic.com/cn/EnglishVersion/Strength/index.shtml (n.d.), 12/21/2011.

about 12 percent and 15.9 percent. In 2010, EADS Group's revenues again increased by seven percent, Aviation Industry Corp. of China's by 23 percent. The Boeing Company lost nearly six percent compared to 2009.

Overall one can say that the numbers of employees of the three aircraft companies remained stable over the two periods. However, financial data developed differently. Aviation Industry Corp. of China had intense increases, whereas The Boeing Company experienced an increase in 2009 and a decrease in 2010. EADS Group developed the other way around.

Strategy analyses

EADS Group aims at being the worldwide leader in aircraft by 2020. To gain leadership, EADS Group explains its competitive advantage as delivering the best of European technology. As the counterparts, EADS Group wants to serve the peoples' needs. To achieve customer satisfaction, eco-efficient products and services are introduced. The Boeing Company, on the contrary, centers the employees. The Boeing Company sees the teamwork as the reason for being successful on the aircraft market. Seeing itself as a global enterprise, The Boeing Company also wants to be a global leader. Opening new frontiers by leveraging strength into new services and products should lead to a customer satisfaction. Running healthy core businesses and enhancing shareholder value is of special interest.

After its market-oriented reform, Aviation Industry Corp. of China focuses on basically the same aspects as its counterparts. Innovation and integrity might make them a globally active company. Growth is especially put in the foreground and financial goals more underlined than at EADS Group and The Boeing Company. Additionally to that, Aviation Industry Corp. of China explicitly describes its contribution to the Chinese nation and military forces to enrich the people. Aviation Industry Corp. of China IC is more country-oriented, to its home country China, than the European and US-American aircraft companies are.

Cooperations

A fair competition and relationship with stake- and shareholders is centered in the EADS Group definition of cooperations. Similarly to that, Aviation Industry Corp.

of China states not to possess competitors. In its strategy statement, Aviation Industry Corp. of China further points to merging and partnering. The Boeing Company underlines its research aim and explains to have cooperations with universities and colleges. EADS Group and The Boeing Company furthermore have the same suppliers. Rolls Royce for example serves a couple of companies with the same or similar products. ⁶⁴

Responsibility

EADS Group belongs to the few companies analyzed that points to responsible sourcing. Besides this environmental aspect, EADS Group donates and supports communities and sponsors. Environment in general is also of interest to The Boeing Company, as are arts, culture, and health and human services. Additionally, The Boeing Company wants to improve education. Aviation Industry Corp. of China is more precise in its responsibility statement. Aviation Industry Corp. of China sponsors not further explained events in China and provides earthquake help. Summing up, environmental and social aspects are supported by the analyzed aircraft companies.

Aircraft and the PNC

In the aircraft industry, the following of eight culture links of the PNC can be emphasized. INNOVATION CULTURE is traditionally important, as is the PRODUCT CULTURE. The latter aspect is especially significant for Aviation Industry Corp. of China, as the country focus is underlined in the firm's available information. Both cultures are supported by R&D (production link) activities and e.g. cooperations with research institutes. Further concentrating on the production links, one can highlight the aspects PRODUCTION, JOINT-PRODUCTION ASSEMBLY, HRM, EXECUTIVE MANAGEMENT, and ACCOUNTING. The latter two aspects are pointed at by the company statements of aiming at healthy core businesses.

Whereas EADS Group centers CUSTOMER RELATIONSHIP, The Boeing Company is furthermore interested in its people's needs. Accordingly, the culture links of INTERNAL COMMUNICATION CULTURE, INCENTIVE, and WORK CULTURE are added.

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⁶⁴ See http://www.rolls-royce.com/civil/about/ (2012), 01/10/2012.

All companies are globally oriented and want to become even more globalized. A COMPETITIVE AND COOPERATIVE RELATIONSHIP exists. The companies set on fair competition. The fact that the aircraft companies have the same suppliers leads to the assumption that SUPPLIER RELATIONSHIP is cultivated. In addition to that, SHAREHOLDER RELATIONSHIP is explicitly named. With respect to RESPONSIBILITY, environmental and social aspects are focused.

3.2.9 IT and Electronics: Hewlett-Packard Company, Siemens AG, and Panasonic Corporation

The information explosion and the digital transformation are trends of the 21st century that push the IT and electronics industry. ⁶⁵ The consumer electronics markets are mainly led by Korean and Japanese companies. In fact, since the 1970s, technologically driven products have mainly Japanese roots. This is due to the fact that historically, the electronics industry belongs to the most active ones in Japan (Nomura, 1992). This tradition was followed by a fast enter of Korean companies (Glowik, 2009). The next parts, namely this part (9) IT and Electronics as well as the following part (10) Electrics basically focus on similar industries. A clear distinction does not take place. The two parts can rather be seen as interacting chapters.

In history, the IT and electronics business has been subject to uncertainties and changes. In the beginnings of selling printers, for example, it was not expectable to foresee the market evolvements. Hutt and Davidson (2005) elucidated the size of the potential market, price developments, demand, and the customer's acceptance of the products to be uncertain. Today, the IT and electronics market is still a challenging business. Changes are influenced by new market entrants. IT companies steadily face threat by new entrants. This threat is even more intense than in other industries. In fact, the IT industry is subject to fast technological changes, low entry costs, a relatively short product life cycle, as well as high uncertainties (MacMillan, & McGrath, 2004; Banker, Wattal, & Plehn-Dujowich, 2011).

Adjacent to new entrants, another factor shapes the market. It is the aim to steadily innovate (Nolen, 2005). In fact, both acquisition strategies as well as R&D are followed to innovate. Banker, Wattal, and Plehn-Dujowich (2011) summarized that

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⁶⁵ See http://www8.hp.com/us/en/hp-information/about-hp/index.html (2012), 02/20/12.

especially those firms having a diversified profile grow by acquisitions. Processes are regularly newly designed. This innovativeness has to be integrated into the organizations' strategy and vision to make people functioning together, as Feurer et al. (2000) pointed out.

In this part, three companies are of special interest: Hewlett-Packard Company, Siemens AG, and Panasonic Corporation. Ever since the 1980s, Hewlett-Packard Company has been one of the most influencing players on the printer market (Hutt, & Davidson, 2005). Since the 1990s, Siemens AG pursued an acquisition strategy in the USA to grow its share on the market (Nolen, 2005). Siemens AG is interested in long-term strategies, as Börsch (2004) stated. In the 1990s, the company became intensively internally oriented (Börsch, 2004). How this aim was followed in the ongoing years and how Hewlett-Packard Company and Panasonic Corporation realize their success is further elucidated in the following.

Hewlett-Packard Company

In 2011, the US-American Hewlett-Packard Company was the 28th largest company worldwide (previous year: 26nd) (Fortune Global 500 HPQ, 2011). After a partnership between William R. Hewlett and David Packard in 1939, the company was incorporated in 1947. Today, Hewlett-Packard Company understands itself as a leading provider of technologies, products, software, solutions, and services to organizations, governments, and individuals. Seven business segments provide products and services. These are Enterprise Storage and Servers, HP Software, Services, Personal Systems Group, Imaging and Printing Group, Corporate Investments, and HP Financial Services (2010 HP Annual Report, 2010).

Siemens AG

Having lost seven ranks, the German Siemens AG scores 47th on the Fortune Global 500 list of 2011 (Fortune Global 500 SI, 2011). Its roots go back to 1847. With its five segments the company operates in, it wants to face the world's major challenges. These megatrends are demographic and climate change, urbanization, and globalization. Industry, Energy, Healthcare, Equity Investments, and

Cross-Sector Businesses are Siemens AG's answers to these challenges (Annual Report 2010 Siemens, 2010).

Panasonic Corporation

The Japanese Panasonic Corporation grew in 2010 and became the 50th largest company in the world, compared to the 65th rank in the foregoing year (Fortune Global 500 PC, 2011). It was founded in 1918. Group-wide reorganization makes the corporation becoming the number one green innovation company in electronics market. Five segments, namely Digital AVC Networks, Home Appliances, PEW, and PanaHome Components and Devices, and SANYO, will be reorganized into three business sectors. These are the Consumer Business Sector, the Components & Devices Business Sector, and the Solutions Business Sector, to be implemented by 2012 (Panasonic Annual Report 2011, 2011).

Employees and Financial Data

Hewlett-Packard Company and Siemens AG experienced decreases in financial data and employees in 2009. In fact, Hewlett-Packard Company had five percent less employees and three percent less net revenue in 2009. Siemens AG's workforce also shrunk by five percent; revenues decreased by one percent.

Panasonic Corporation had 31.6 percent more people working for them in 2009 compared to 2008, whereas its total net sales decreased by four and a half percent. In 2010, the Japanese company had four and a half percent less employees, but increases in total net sales of 17 percent. Its German counterpart Siemens AG had the same amount of people, but again decreases of one percent in revenues. Hewlett-Packard Company employed six and a half percent more people in 2010. Additionally, Hewlett-Packard Company had an increase in net revenue of ten percent.

Concluding one can say that all three companies develop differently. No trends can be summarized. The only commonality the three global actors have is that their workforce and financial data shrank in 2009 compared to 2008.

Strategy analyses

Innovation is the most important aspect at Hewlett-Packard Company. It does not only focus on products and services, but also comprises innovation at management etc. Siemens AG follows a similar path. In its vision, Siemens AG explains to be a pioneer. This makes the companies competing aggressively, to be further elucidated in the following part. Moreover, customer, employee, and shareholder satisfaction are emphasized.

Cooperations

Cooperations are made in different areas. Siemens AG and Panasonic Corporation partner in the field of research. Sales partnerships also exist at all three companies. Additionally, Hewlett-Packard Company names partnerships with other leading technology companies.

Besides the cooperative factor, Hewlett-Packard Company and Siemens AG clearly define their competitive position. The latter explains to have an excellent competitive position. Pioneering in energy efficiency, industrial productivity, affordable and personalized healthcare, and intelligent infrastructure solutions are the company's goals. Hewlett-Packard Company characterizes the aggressive competition to take place on the basis of different parts. These are price, quality, brand, reputation, distribution, and products in general, just to name a few. Panasonic Corporation's strategy statement is less aggressive, they want to become a global excellent company.

Responsibility

What Hewlett-Packard Company and Siemens AG have in common is their willingness to protect the environment and to promote education. The former additionally wants to improve healthcare. The latter further promotes arts and culture. Panasonic Corporation's vision is to become the number one Green Innovation Company in the electronics industry.

IT and Electronics and the PNC

The electronics market is subject to steady changes, as literature suggested. Thus PRODUCT CULTURE and INNOVATION CULTURE of the PNC are the most important culture links. Likewise, employee satisfaction was highlighted in the company data. Consequently, INCENTIVE CULTURE, WORK CULTURE, and INTERNAL COMMUNICATION CULTURE should be emphasized. As competition on price level exists and is communicated to the market, COST CULTURE should be further added, as well as EXTERNAL COMMUNICATION CULTURE.

A well established GOVERNANCE CULTURE combined with a good EXECUTIVE MANAGEMENT are essential to foster the competitive position on the market. Summing up one can say that in the IT and electronics industry, all eight culture links of the PNC can be found. Furthermore, the following production links are typical to the IT and electronics industry: PRODUCTION, HRM, and R&D. The latter is partly realized with partnerships.

On the market, cooperation and simultaneous competition occur. This is included in the PNC as COMPETITIVE AND COOPERATIVE RELATIONSHIP. In addition to that, cooperations with selling points exist. Thus, SELLING PARTNERS should be further mentioned. To sell the products, MARKETING AND MARKET COMMUNICATION takes place and CUSTOMER RELATIONSHIP is valued. RESPONSIBILITY is already anchored in the strategy statements and vision, as eco-efficient products are centered into research. Additionally, social and environmental projects are sponsored. Literature further hinted to ACQUISITIONS, supported by the company data.

3.2.10 Electrics: General Electric Company, Samsung Electronics, and Robert Bosch GmbH

Following the part (9) IT and Electronics, this part will emphasize electrics and electronics companies. In fact, a clear differentiation between both markets is not possible. However, as noted above, the categorization of the markets is not exclusive. It might rather be easier for the reader to follow the thoughts that are all concluded to the new strategy model.

High-technology companies operating globally are increasingly forced to steadily innovate. According to Gowen III and Tallon (2002), the needful corporate turnaround strategies make the companies converging and becoming more and more similar to each other. In this part, the focus lays on the three electrics companies General Electric Company, Samsung Electronics, and Robert Bosch GmbH.

In the 1980s, Korean companies increasingly went abroad and sold their products globally. The cost focus was of special importance. Since that time, notably automobile companies and electrics/electronics companies exported (Kwon, Rhee, & Suh, 2004). Besides these exporters, Samsung Electronics delivered consumer electronics goods to the world. Samsung Electronics stood for mass production, cheap, and reliable products in the 1970s and 1980s. Speed was a competitive advantage. In the 1990s, technology and speed were of special interest. However, prices kept simultaneously important as competitive factors (Yu, 1998). Today, the company is seen as a producer of beautiful, reliable, and functional products. In fact, the Korean companies see design as being an important factor for their products (Yu, 1998; Sangani, 2009). Samsung Electronics defines innovation as being crucial to the electronics market. New technologies have to be introduced constantly and fast. Pioneering work is essential to survive on the digital market. 66

Summarizing the export stages of Korean companies, Kwon, Rhee, and Suh (2004) found out that nowadays, the cost strategy is still important. However, it is combined with a product differentiation strategy. Glowik (2009) stated that Samsung Electronics is one of the most diversified companies with respect to unrelated product. Samsung Electronics' competitive advantage lies in forecasting future market developments and in the ability to respond fast to market needs.

Samsung Electronics as well as General Electric Company are both seen as a highly dynamic companies. By acquiring and developing internally, General Electric Company steadily innovates (Karim, & Mitchell, 2004). Besides acquisitions, research and development should explicitly be named here as being extraordinarily important to General Electric Company, but also to the electrics market in general. To enable innovativeness, the companies set on coopetition, as Gnyawali and Park

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 $^{^{66}}$ See http://www.samsung.com/us/aboutsamsung/ourbusinesses/researchdevelopment.html (2012), 01/04/2012.

(2011) found out. Especially in the field of technological innovation, competition and cooperation occur. In fact, Samsung Electronics and Sony as well as other big technology-driven companies compete and cooperate simultaneously. To be more precise, Gnyawali and Park's (2011) opinion is that coopetition is a good answer to technological challenges. Furthermore, coopetition between giants often make other firms following the example. Consequently, advanced technological developments as well as competitive dynamics take place in the whole market (Gnyawali, & Park, 2011). In the following, the analyses give further insights on the three companies.

General Electric Company

The US-American General Electric Company ranks 16th on the Fortune Global 500 list of 2011, having lost three ranks compared to previous year's list (Fortune Global 500 GE, 2011). General Electric Company sees its competitiveness in delivering positive returns to investors by simultaneously positively forcing for change. This is guaranteed by five segments, namely energy and technology infrastructure, NBC Universal, which is the film and television segment, GE Capital, as well as Home and Business Solutions (GE 2010 Annual Report, 2010). The company was established in 1892 by a combination of Edison General Electric Company and Thomson-Houston Company. ⁶⁷

Samsung Electronics

The South Korean company Samsung Electronics scores 22nd on the Fortune Global 500 list of 2011 (previous year: 32nd) (Fortune Global 500 SSU, 2011). Besides electronics, the corporation operates in machinery and heavy industry, chemical industry, financial services, and others.⁶⁸ It was founded in 1939.⁶⁹

Robert Bosch GmbH

The German Robert Bosch GmbH is the 119th largest actor in the world (previous year: 129th) (Fortune Global 500 BOS, 2011). Its roots go back to 1886. Robert

⁶⁷ See http://www.ge.com/company/history/edison.html (2012), 02/21/2012.

⁶⁸ See http://www.samsung.com/us/aboutsamsung/corporateprofile/affiliatedcompanies.html (2012), 01/04/2012.

⁶⁹ See http://www.samsung.com/us/aboutsamsung/corporateprofile/history06.html (2012), 02/15/2012.

Bosch GmbH understands itself as a global supplier of technology and services. Three sectors are worked in: Automotive technology, industrial technology as well as consumer goods, and building technology (Bosch Annual Report 2010, 2010).

Employees and financial data

General Electric Company had decreases in workforce and revenues. In fact, in 2009 six percent less people worked for the company. In 2010, the decrease was at five and a half percent. Revenues decreased by 14.5 percent in 2009 and more than three percent in 2010.

Samsung Electronics' development is different to the industry leader's General Electric Company. Samsung Electronics had fourteen and one and a half percent more employees in 2009 and 2010. Sales increased by 12.4 percent and 13.4 percent.

Robert Bosch GmbH had three percent less employees and 15.5 percent less sales revenue in 2009. In 2010, the numbers re-increased: With a half percent more employees the company generated 23.8 percent more sales revenue.

Overall one can say that the market for electrics and electronics is changing. The companies, as a consequence, develop differently. General Electric Company had decreases in all periods, whereas Samsung Electronics' data increased. Robert Bosch GmbH had less employees and financial data in 2009, but increases in 2010.

Strategy analyses

General Electric Company, Samsung Electronics, and Robert Bosch GmbH have their focus on the global market. In fact, General Electric Company aims at solving tough global problems by bringing big ideas to life. The company focuses customers' society. Samsung Electronics' vision 2020 implies that it inspires the world and creates the future. The company also wants to contribute to a better global society. Robert Bosch GmbH's vision directs the same way. Robert Bosch GmbH's attempts to enhance life quality by being innovative. Consequently, innovation and creativity are of highest importance to the electronics companies. This enables the

3. Industry-by-industry analyses (Power Network Analysis) and data analysis

companies to being present in global key growth markets. The industry is very future-oriented.

Cooperations

General Electric Company works on technical investments ahead of the competition. Strategic acquisitions and a global research network help the company to stay competitive. Partnerships with key global players that are not further named, are made.

Samsung Electronics mainly networks with non-related companies, called diagonal cooperations. Robert Bosch GmbH has partners e.g. in the field of automotive technology. Furthermore, research institutes are cooperated with. General Electric Company for example has a joint-venture with Aviation Industry Corp. of China, which was analyzed above (GE 2010 Annual Report, 2010).

Responsibility

The electronics companies' responsibility is heterogeneous. General Electric Company directs the products to clean energy and healthcare. Samsung Electronics wants to contribute to social welfare. Culture and arts are supported, as well as academics and education. The company also consolidates the responsibility in the principles. Volunteer services are provided. Robert Bosch GmbH more generally sees itself as being socially and environmentally responsible. Children and adolescents should get access to business and technology.

Electrics and the PNC

The future-oriented industry sets on INNOVATION CULTURE, entrepreneurial freedom and PRODUCT CULTURE. Especially the literature review showed that the electrics industry is always associated with technical innovation to differentiate. To provide customers and society with information on products, EXTERNAL COMMUNICATION CULTURE is fostered. COST CULTURE is also important, as already summarized in the literature review. No hint is given on the workforce. Nevertheless, WORK CULTURE, INTERNAL COMMUNICATION CULTURE, and INCENTIVE CULTURE are needful aspects to produce innovative products.

Following innovativeness, the R&D aspect of the PNC is essential. Additionally, Robert Bosch GmbH points to financial freedom or ACCOUNTING. PRODUCTION takes place, possibly by a JOINT-PRODUCTION ASSEMBLY.

Concentrating on the relationship links, the following aspects of the PNC are explicitly named by the electrics companies: SUPPLIER RELATIONSHIP, SHAREHOLDER RELATIONSHIP, and CUSTOMER RELATIONSHIP, as well as COMPETITIVE AND COOPERATIVE RELATIONSHIPS. ACQUISITIONS take place to innovate, as literature suggested and company data confirmed. RESPONSIBILITY and fairness of the electrics companies show their orientation towards social and environmental needs. Summing up, the companies' strategies seem to have converged, as literature foresaw.

3.2.11 Energy: E.ON AG, Petrobras, and Suncor Energy Inc.

As the two foregoing parts centered industries that are hardly to be distinguished, the industries in parts (11) and (12) are similarly structured. Lots of energy companies simultaneously act in the gas and oil industry and vice versa. However, as mentioned above, the analyses are meant to give an overall view on industry structures. A clear distinction between similar industries is thus not aimed at, rather a combined view to understand strategy.

Energy is widely used in the globalized world, as Geller (2003) elucidated. Together with oil and gas companies, to be centered in the following part, energy companies belong to the most influencing and largest companies operating globally. Besides individuals, whole economies as well as governments are affected by the giants. About 20 percent of the world energy is used in the OECD member countries whereas more than 50 percent of electricity is consumed (Urban, & Ščasný, 2012).

After the usage of wood, animal power, and agricultural power as available energy sources, fossil fuels are today refined. The limited availability of the fossil fuels forces the energy companies to continuously search for alternatives to answer the demand (Bradford, 2006). Today, the question of renewable energy is present, as fossil fuel is finite (Erdmann, & Zweifel, 2008). Bradford (2006) called for energy alternatives to enable the people to hold their standard of living.

Historically, conflicts ever occurred, as energy is not homogeneously available (Erdmann, & Zweifel, 2008). Until today, energy is often regulated as a national

matter. The influential aspect of energy supply partly leads to property claims of governments and government interferences in general. In order to reduce the emission of greenhouse gases and to secure future energy supplies, governments around the world are working to stimulate the deployment of renewable energy sources. For some years, funds have been spent to invest in R&D to be able to implement renewable energy fast (Geller, 2003). In fact, these government aids, especially with respect to renewable energies, influence the energy market and are often subject to discussions (Urban, & Ščasný, 2012). In Europe, subsidies are mainly justified by the oil price shock in the 1970s (Suck, 2008). European supports market distortions occur (Suck, 2008). However, due to the financial crisis, subsidy cuts are increasingly made (Hofman, & Huisman, 2012).

Especially in the field of R&D, cooperations among countries exist (Geller, 2003; Erdmann, & Zweifel, 2008). As Petermann (2008) explained, it is the energy supply that secures the economy of the 21st century. How strategy is structured in the energy market will be found out with the help of E.ON AG's, Petrobras' and Suncor Energy Inc.'s strategy analyses.

E.ON AG

E.ON AG's aim is to provide climate-friendly and reliable energy supply at affordable prices. ⁷⁰ The company was established in 2000 by a fusion of two industrial companies that existed since the 1920s. ⁷¹ Today, E.ON AG sees itself as a global actor. E.ON AG lost two ranks compared to the foregoing year and is the 29th largest company in the world, being located in Germany (Fortune Global 500 EON, 2011). The company is structured in global and regional sections. ⁷²

Petrobras

Petrobras was founded by President Vargas in 1953.⁷³ Being a publicly traded company, the Brazilian Government holds the majority of the stocks.⁷⁴ In 2011, it was the 34th largest company, winning 20 ranks compared to year-before-list.

⁷⁰ See http://www.eon.com/de/39881.jsp (2011), 12/07/2011.

⁷¹ See http://www.eon.com/de/corporate/2061.jsp (2011), 12/08/2011.

⁷² See http://www.eon.com/de/corporate/2033.jsp (2011), 12/07/2011.

⁷³ See http://www.petrobras.com.br/en/about-us/our-history/ (2009), 12/07/2011.

⁷⁴ See http://www.petrobras.com.br/en/about-us/profile/ (2009), 12/07/2011.

Additionally, it is the largest company in Brazil (Fortune Global 500 Brazil, 2011; Fortune Global 500 PBR, 2011).

Suncor Energy Inc.

Ranking 268th (previous rank: 385), the Canadian Suncor Energy Inc. provides energy (Fortune Global 500 SU, 2011). It is the third largest company in Canada (Fortune Global 500 Canada, 2011). Its history goes back to 1967 and is based on a subsidiary by the US-American Sun Company, being established in 1917. ⁷⁵ Innovation is of great importance to Suncor Energy Inc. ⁷⁶

Employees and financial data

The employee development of the three energy companies was different between 2008 and 2010. Whereas E.ON AG had about nine percent less employees in 2009 compared to 2008 and a relatively stable number until the following year, Petrobras had three and a half and four and a half percent increase in the same periods. Suncor Energy Inc.'s workforce nearly doubled in 2008: 90.9 percent increase in 2009 compared to 2008. In 2010, seven percent less people worked for Suncor Energy Inc.

E.ON AG had about eight percent less sales in 2009 compared to 2008. At Petrobras, net operating revenues decreased by 22.3 percent. Eleven percent less revenues (net of royalties) were gained by Suncor Energy Inc. In 2010, E.ON AG's sales increased by 16.1 percent, Petrobras' net operating revenues by 30.7 percent and Suncor Energy Inc.'s revenues 38.2 percent.

Whereas the workforces developed differently at the three companies, trends in financial data changes were similar. All three companies experienced decreases in 2009 and increases in 2010.

Strategy analyses

E.ON AG's statements are relatively short. In its Innovate.on Technology Initiative, the company explains the goals. It is to develop key energy supply technologies and

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⁷⁵ See http://www.suncor.com/en/about/1918.aspx (n.d.), 12/07/2011; http://www.suncor.com/en/about/749.aspx (n.d.), 12/07/2011.

⁷⁶ See http://www.suncor.com/en/responsible/302.aspx (n.d.), 12/07/2011.

to be a leader in what E.ON AG does. Strategically, the company wants to be a provider of cleaner and better energy.

Petrobras' vision is similar to E.ON AG's. The Brazilian company wants to be one important global energy company by 2020. Sustainable development, readiness for change, entrepreneurship, and innovation are the values that support the company's aim. Clients' needs, stakeholders' wishes, and the home country's wellbeing are centered. Besides that, the aim is to operate profitably.

Suncor Energy Inc. also strives for leadership, especially in safety. Low-costs are explicitly named in the vision. Being locally present, the company aims at competing globally.

Cooperations

In all three analyzed companies, only few cooperations were explicitly stated. Petrobras, for example, points to partnerships with suppliers. E.ON AG and Suncor Energy Inc. have joint-ventures, whereas the latter concretizes that these are retail stations. However, E.ON AG as well as Suncor Energy Inc. underline their leadership aim.

Responsibility

Petrobras mainly centralizes social and environmental responsibility. E.ON AG's strategic approach is to orientate towards customers by e.g. offering social tariffs for people in need. Additionally, sports, culture, and art are supported by sponsorships.

Similarly to E.ON AG, Suncor Energy Inc. centers social needs. The company engages in developing sustainable communities in key operating areas. Moreover, it follows the principle of a triple-bottom-line. Renewable energy is supported.

Energy and the PNC

The three energy companies give relatively little information on the PNC aspects. With respect to culture links, INNOVATION CULTURE, PRODUCT CULTURE (safe products), and COST CULTURE were explicitly referred to. Some information was also given on INTERNAL COMMUNICATION CULTURE, as e.g. openness and diversity, WORK CULTURE, as e.g. integrity, courage, entrepreneurship, and employee training,

INCENTIVE CULTURE, as monetary and non-monetary benefits, and EXTERNAL COMMUNICATION CULTURE. The latter mainly focuses on communicating growth, the home country's wellbeing, and business key areas. The sustainable development that Petrobras focuses as well as the local presence of Suncor Energy Inc. can be interpreted as GOVERNANCE CULTURE. Consequently, all culture aspects are named by at least one of the three energy companies, whereas not all companies give information on all aspects.

Concerning the production links, the aspects R&D, EXECUTIVE MANAGEMENT, and ACCOUNTING should be named. All three companies focus on renewable energy. They produce and sell their products and services and aim at competing globally.

Only little information was available with respect to cooperations. Partnerships with suppliers (SUPPLIER RELATIONSHIP) as well as joint-ventures (JOINT-PRODUCTION ASSEMBLY) exist. ACQUISITIONS are made. Besides, the COMPETITIVE RELATIONSHIP was accentuated, but without any cooperative aspect.

Petrobras as well as Suncor Energy Inc. are relatively nation-oriented, but also globally competitive. R&D e.g. in the field of renewable energy is combined with RESPONSIBILITY. R&D was already elucidated in the short literature review. Petrobras further explains the CUSTOMER RELATIONSHIP to be important. No information is given on R&D cooperation between countries, though literature suggested it to be existent.

3.2.12 Gas and Oil: Royal Dutch Shell Group, ExxonMobil Corporation, and Sinopec Group

Gas and oil companies belong to the largest companies in the world. Royal Dutch Shell Group, ExxonMobil Corporation, BP PLC, and Sinopec Group are listed second, third, fourth, and fifth largest company in the Fortune Global 500 (2011) list. The analyzed companies operate globally. Inkpen and Moffett (2011) showed that the gas and oil industry somehow rules the world. Lots of daily life products and services in all nations are dependent on the products of the oil and gas giants. Consequently, oil and gas prices are intensively scanned in the world economy. Products and prices of the global actors are thus influencing on the markets and daily lives.

Gas and oil companies are integrated, meaning working in different parts of the value chain. These parts are upstream, including exploration and production, midstream, meaning transportation and trading, as well as downstream, with refining and marketing. This diversity of the companies makes them competing in different businesses. The industry thus belongs to the largest in the world (Inkpen, & Moffett, 2011).

Operating in different political frameworks, oil and gas companies are subject to regulative influences. Ever since the oil shocks of the 1970s, the oil industries' business environment became turbulent. Stabilities are rarely found. These changes led to strategic and structural adaptations in the following decade. Efficiency and cost awareness became important (Grant, & Cibin, 1996; Levy, & Kolk, 2002).

The fact that the companies expect long-term growth of world-demand⁷⁷ leads to the conclusion that the already large market will grow further. In the foregoing years, growth was mainly realized by mergers and acquisitions and by geographical spread. The aim was to protect the core competencies, as Sæverud and Skjærseth (2007) summarized. Besides, renewable energy was implemented into the companies' portfolio (Sæverud, & Skjærseth, 2007; Inkpen, & Moffett, 2011). Royal Dutch Shell Group, ExxonMobil Corporation, and the Sinopec Group, on which a special focus lies in this part, research on alternative energy products. One can thus see that innovation and R&D are crucial aspects in the industry to improve and to become more efficient (Inkpen, & Moffett, 2011).

Levy and Kolk (2002) summarized that similar strategies are expected to be pursued by gas and oil companies. On the one hand, this is due to the fact that the companies operate in the same market. The companies serve a relatively constant worldwide demand which Spence (2011) defined as being strong. On the other hand, similar economic resources and technological capabilities are used (Levy, & Kolk, 2002). The technical equipment needed is complex. In addition to that, the companies face political, social as well as safety and health challenges (Spence, 2011). The actors are expected to respond to these challenges to improve reputation and to further exist. Spence (2011) elucidated reputation losses to belong to the most threatening

See http://www.shell.com/home/content/investor/news_and_library/2011_media_releases/2011_strategy_update_15032011.html (n.d.), 12/14/2011.

risks of gas and oil companies. Levy and Kolk (2002) analyzed global oil and gas companies' impact on environmental and social issues. The companies being rich in oil are mostly poorly governed, as Spence (2011) explained. Consequently, after some centuries of ignorance, the big oil companies face stakeholders and environment, especially in those areas where business is done. Besides, oil and gas companies cause environmental damages by exploring and producing their products. The emission of greenhouse gases is further caused by consumption (Sæverud, & Skjærseth, 2007). Consequently, CSR is of special importance to the long-term success of gas and oil industry.

Responsibility projects, but also general strategies found at the three companies being of interest here, will be further highlighted in the following. It should be noted that next to daily life products, lots of chemical products are based on the raw material oil and gas. Consequently, part 16 will further highlight chemical products (Arora, 1997).

Royal Dutch Shell Group

Royal Shell Dutch Group was established by a merger of two companies in 1907.⁷⁸ The company was reorganized in 2009.⁷⁹ It is defined as a group of petrochemical and energy companies, headquartered in the Netherlands. Royal Dutch Shell Group is the parent company being incorporated in England and Wales.⁸⁰ It is and was the second largest company in the world (Fortune Global 500 RDSA, 2011).

ExxonMobil Corporation

ExxonMobil Corporation focuses on high ethical standards while trying to achieve superior operating and financial results. The company is a petrochemical and petroleum company and operates worldwide. ⁸¹ The tradition of the third largest company (remained unchanged) in the world began 125 years ago in the USA (Fortune Global 500 XOM, 2011).

78 See http://www.shell.com/home/content/aboutshell/who_we_are/our_history/the_beginnings/(n.d.), 12/20/2011.

⁷⁹ See http://sustainabilityreport.shell.com/2010/operatingresponsibly/ourbusinessstrategy.html?cat=b (n.d.), 12/14/2011.

⁸⁰ See http://www.shell.com/home/content/aboutshell/at_a_glance/ (n.d.), 12/14/2011.

See http://exxonmobil.com/Corporate/about_who_sbc.aspx (n.d.), 12/05/2011; http://exxonmobil.com/Corporate/about_where.aspx, 12/05/2011.

Sinopec Group

Sinopec Group was developed from the former China Petrochemical Corporation in 1998 and is located in Beijing, China. Besides oil and natural gas, the company has business units in the field of industrial investment, electrical and mechanical equipments, and technology. ⁸² In 2002, Sinopec Group was already one of the most globally competitive companies in China (Nolan, & Zhang, 2002). Sinopec Group won two ranks and by 2011, it is the 5th biggest company in the world (Fortune Global 500 SHI, 2011).

Employees and financial data

Royal Dutch Shell Group's as well as ExxonMobil Corporation's number of employees were relatively stable in 2009. It decreased, respectively increased, by one percent. A decrease and increase of four percent was experienced by Royal Dutch Shell Group and ExxonMobil Corporation in 2010. Thus, the two companies developed contrarily. Sinopec Group, as ExxonMobil Corporation, had increases in the same period, namely by three and a half percent in 2009 and a half percent in 2010.

In 2009, a collapse of revenue took place at Royal Dutch Shell Group and ExxonMobil Corporation, namely 39.3 and 34.4 percent. Sinopec Group's operating income decreased by seven percent. All three companies experienced increases of over 20 percent in 2010: ExxonMobil Corporation with nearly 23 percent, Royal Dutch Shell Group with 32 percent and Sinopec Group with 42 percent. These de- and increases are among the strongest in the analyzed data.

To sum up, all companies had decreases and re-increases in 2009 and 2010 with respect to financial data. The workforces increased at two companies. Royal Dutch Shell Group's number of employees decreased in the same amount as ExxonMobil Corporation's increased.

⁸² See http://www.sinopecgroup.com/english/Pages/guanyu_gsjs.aspx (2011), 12/14/2011.

Strategy analyses

Royal Dutch Shell Group's core values are honesty, integrity, and respect for people. ExxonMobil Corporation mainly centers the latter aspect, namely respect, in its guiding principles. In fact, shareholders, customers, employees, and communities have to be respected. Sinopec Group describes more detailed how core values improve the company. The company wants to develop the business by simultaneously contributing to the country. Creating value for shareholders and society as well as making employees benefitting from Sinopec Group is the company's goal.

Sinopec Group wants to become globally competitive. Royal Dutch Shell Group, more generally, wants to grow. Growth is guaranteed by reliable and safe energy supply with simultaneous cost reductions. ExxonMobil Corporation equally concentrates on long-term approaches. Simultaneous flexibility is essential.

Cooperations

On the website, Sinopec Group names its partners. Royal Dutch Shell Group and ExxonMobil Corporation have partnerships with the Chinese company. Besides them, Sinopec Group networks with Sinochem International (Holding) Co., Ltd. and McDonalds. These cooperations are symbols of the company's philosophy of honesty and integrity for win-win cooperation. Royal Dutch Shell Group, on the contrary, does not explicitly point to the Sinopec Group partnership. The company explains its relationships in general. These are made with communities, customers, governments, and non-governmental organizations.

In contrast to the counterparts, ExxonMobil Corporation does not elucidate cooperations, neither partnerships nor any other relationship. In contrast, the company underlines the competitive position: It aspires to be at the leading edge of competition.

Responsibility

As literature suggested, responsibility is an essential factor of oil and gas companies to compensate their reputation losses. Royal Dutch Shell Group's focus on

responsibility is mainly based on its work. Royal Dutch Shell Group aims at developing cleaner-burning natural gas and bio fuels as well as increasing energy efficiency. ExxonMobil Corporation also centers the environment. With its carbon disclosure project, ExxonMobil Corporation wants to reduce greenhouse gas emission.

Sinopec Group supports the society. The responsibility description makes clear that the company sets on education, helps people in need, and centers community building. Sinopec Group's responsibility statement does thus not only focus on the business itself, but on additional social support.

Gas and Oil and the PNC

As presented in the literature review, gas and oil companies pursue similar strategies. In fact, the three analyzed companies focus on growth and competitiveness. With respect to the PNC, the following aspects are of special interest: Internal communication culture and external communication culture symbolize transparency and reliability, but also honesty. Work culture and incentive culture are meant to respect people and to provide integrity. A well structured cost culture enables the companies to become and stay globally competitive. Being flexible is valued and can be understood as a product culture and innovation culture. Renewable energy solutions are researched with the help of R&D, as literature also suggested. Additional production links that are linked to the gas and oil industry are accounting and executive management. Moreover, governance culture should be mentioned, as introduced in the literature review.

The following relationship links are essential to oil and gas companies: SHAREHOLDER and CUSTOMER RELATIONSHIP. Mergers and ACQUISITIONS are made to realize growth, as literature also suggested. Cooperations are also important and underline the COMPETITIVE AND COOPERATIVE RELATIONSHIP in the industry. Besides, RESPONSIBILITY is of special interest, as forecasted in the introductory part of the gas and oil industry. Renewable and innovative energy projects will decrease the environmental and social impact of the companies and their products.

3.2.13 Food and Nutrition: Nestlé S.A., Kraft Foods Inc., and COFCO

Food and nutrition companies focus simultaneously on quality and costs. Especially the global food and nutrition companies have a large portfolio of products being offered: The following three companies, namely Nestlé S.A., Kraft Foods Inc., and COFCO, produce food and beverages. Consequently, an additional analysis of softdrink producers as PepsiCo and Coca-Cola is not accomplished in this work. Besides this fact, cooperations between the softdrinks and food and nutrition companies exist. Cante, Calluzzo, and Ryan (2003) detected that over 60 percent of food and beverage companies have strategic alliances.

Alcoholic drinks producers, as Anheuser-Busch InBev and Heineken International, are also neglected, as well as McDonald's as a fast food chain. This dismissing is also due to the fact that not all here neglected industries include a company outside Europe or Northern America.

Due to an increasing demand of safer and better food by the Chinese government and the Chinese consumers, agribusiness companies started to develop in the 21st century. It was expected of the companies to anticipate crises, as e.g. climate changes. Market reforms forced them to become efficient, market-oriented, and consumer-focused. Consequently, the companies restructured their strategies (Goldberg, & Yang, 2008).

According to Goldberg and Yang (2008), COFCO's historical business development is more intensive than those of comparable enterprises. Fundamental challenges in business operations, as a missing corporate culture and a badly defined structure were solved until 2008, as Goldberg and Yang (2008) explained. By 2008, the changes succeeded (Goldberg, & Yang, 2008). Since that time, COFCO grew. Today, COFCO is one of the largest Asian food producers. Together with Nestlé S.A. and Kraft Foods Inc., COFCO will to be further elucidated in the following.

Nestlé S.A.

With 281,000 employees around the world, the Swiss company Nestlé S.A. ranks 42^{nd} (former 44^{th}) on the Global 500 list of 2011 (Nestlé Quick Facts, 2010; Fortune Global 500 NSRGY, 2011). The company's history goes back to 1866, when Henri

Nestlé founded the Anglo-Swiss Condensed Milk Co (Nestlé Quick Facts, 2010). Nestlé S.A. provides nutrition, wellness, and healthcare products, namely food and beverages (Nestlé Annual Report, 2010).

Kraft Foods Inc.

Kraft Foods Inc. was founded as a ready-to-eat cereal company in 1895 in Battle Creek, Michigan, USA (Kraft Foods 2010 Fact Sheet, 2010). Kraft Foods Inc. grew from rank 179 to 167 in the Global 500 list (Fortune Global 500 KFT, 2011). It is the market leader for biscuits in Europe and supports this position by investments in research and development. ⁸³ Besides the biscuits which form 22 percent of the revenues, Kraft Foods Inc. produces confectionery, beverages, cheese, convenient meals, and grocery. 49 percent of the products are sold in North America, 23 percent in Europe, and 28 percent in developing markets. Kraft Foods Inc. calls its portfolio unrivalled (Kraft Foods 2010 Fact Sheet, 2010).

COFCO

COFCO is ranked 366th in the Global 500 list and thus lost 54 ranks compared to 2010 (Fortune Global 500 CFO, 2011). It is one of the largest Chinese food manufacturer, importer, and exporter. Besides Agro-Trading and Logistics, Agro-processing, and branded food products, the company engages in bio-energy, wine and beverages, real estate, hotel and tourism, financing, and packaging. It is thus a combination of nine business parts. Founded in 1949, COFCO's focus lies on quality and healthy products.⁸⁴

Employees and financial data

Nestlé S.A.as well as Kraft Foods Inc. had two and one percent less employees in 2009. 2010 was more heterogeneous. Nestlé S.A.'s employee rate increased by one percent. Kraft Foods Inc. had about 30.9 percent more employees. COFCO's workforce increased by seven and five percent in 2009 and 2010.

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⁸³ See http://phx.corporate-ir.net/phoenix.zhtml?c=129070&p=irol-newsArticle&ID=1619849 (n.d.), 11/28/2011

See http://www.cofco.com/en/industry/index.aspx (2011), 11/28/2011; http://www.cofco.com/en/about_cofco/general_situation.aspx (2011), 11/28/2011.

All three companies experienced less financial results in 2009. After 18.6 percent less sales in 2009, Nestlé S.A. re-grew in 2010 by 26 percent. Kraft Foods Inc. had 21.8 percent less net revenues in 2010, but grew by 19.6 percent in 2010. COFCO's changes in revenues were relatively low. The company had a decrease of about one percent in 2009 and an increase of about one and a half percent in 2010.

Strategy analyses

Nestlé S.A. calls the portfolio unrivalled and offers high-quality products and brands. The company cultivates long-term relationships with local suppliers. Additionally, by local manufacturing, local management teams, and local R&D, Nestlé S.A. tries to satisfy local trends and needs. Consequently, Nestlé S.A. sees itself as having an unmatched global presence.

Nestlé S.A.'s philosophy is to create shared value for both, shareholders and society. Nestlé S.A. defines itself as a leader. In the so-called Nestlé model, the company describes measurable financial objectives to be gained. The ten principles of business operations focus employees, suppliers, environment, and customers. As COFCO, Nestlé S.A. wants to provide healthy nutrition to customers. Kraft Foods Inc. calls it safe food. Consumers are centered in the food and nutrition market.

Kraft Foods Inc. as well as Nestlé S.A. see themselves as leaders. Kraft Foods Inc. further defines three ps for creating lasting change. These ps are products, policies, and partnerships. The products are aimed at being innovative and marketed well. Growth is the consequence of Kraft Foods Inc.'s strategy. In addition to that, Kraft Foods Inc. clearly defines its market actions. Competing fairly, marketing responsibly, and respecting the free market are articulated as company values.

What is special of COFCO is its valuing of teamwork and social values. The company thus highlights the importance of employees. Additionally, it sees innovation as a combination of staff, social, and entrepreneurial values. Transparency is also significant.

Cooperations

Nestlé S.A. defines the company's competitive advantages and its unmatched product and brand portfolio. Besides, Nestlé S.A. highlights its R&D capability. Nestlé S.A. sets on premium brands which are manufactured and sold in the whole world. The company sees the products also being ideal for emerging markets. Nestlé S.A.'s portfolio can be interpreted as a blue ocean due to extraordinary products, as e.g. Nespresso products. Nestlé S.A. has joint-ventures, as e.g. with Coca Cola Company, to push innovativeness.

Kraft Foods Inc. also calls its portfolio unrivalled. However, it also underlines the importance of partnerships. Kraft Foods Inc. sees partnerships as being the source for creating lasting change, as explained above. COFCO set on worldwide partnerships, especially with clients on a vertical basis.

Responsibility

The food and nutrition companies' responsibility mainly focuses environmental aspects. To be more precise, Nestlé S.A. wants to become more environmentally sustainable, especially with respect to water. With rural development, the company intends to improve the own products' quality. Diagonal cooperations with associations are made.

In its sustainability wheel, Kraft Foods Inc. shows where abilities to improve environment occur. These are with respect to packaging, waste, water, agricultural commodities, energy, transportation, and distribution. The company partners climate projects and tries to reduce inputs. COFCO explains that nature shapes the company. The Chinese food and nutrition producer protects the environment. In addition to environmental responsibility, Kraft Foods Inc. and COFCO also wish to be socially responsible.

Food and Nutrition and the PNC

Innovative and safe products, to be gained by R&D (see production links), are important to the food and nutrition industry. Thus, high quality PRODUCT CULTURE and INNOVATION CULTURE of the PNC are highlighted to satisfy global and local

needs. Simultaneously, COST CULTURE is focused, as literature suggested. INTERNAL COMMUNICATION CULTURE, WORK CULTURE, and INCENTIVE CULTURE are followed to motivate the employees and to emotionally bind them to the companies. Besides, EXTERNAL COMMUNICATION CULTURE guarantees customer-focused products. GOVERNANCE CULTURE as well as EXECUTIVE MANAGEMENT should further be mentioned. In fact, literature pointed to COFCO's bad business start. However, changes led to a growth of the company and to a competitive actor on the global market.

With respect to production links, the aspects R&D and EXECUTIVE MANAGEMENT were already added above. Moreover, ACCOUNTING, SELLING PARTNERS, SERVICE, HRM, and PRODUCTION should be articulated to be important with respect to the PNC.

The food and nutrition market is relatively customer-focused. Consequently, CUSTOMER RELATIONSHIP is of special importance. Moreover, the relationship links of COMPETITIVE AND COOPERATIVE RELATIONSHIP, SALES, and SHAREHOLDER RELATIONSHIP are essential. The aspect MARKETING AND MARKET COMMUNICATION of the PNC is emphasized. The companies further value the following aspects of the PNC: Long-term SUPPLIER RELATIONSHIP and fair competition. RESPONSIBILITY is fostered in social and environmental features.

3.2.14 Supermarkets and Retailers: Wal-Mart Stores Inc., Carrefour S.A., and 7&I Holdings Co., Ltd.

2009 has been a turbulent year for supermarkets and retailers, but the market restructured again. Mainly the global acting companies regained market shares. Especially in the developing economies, growth can be realized. Consequently, the emerging markets are seen as being important for the companies' long-term success (Ben-Shabat, Moriarty, & Neary, 2010).

Markets could be entered by partnering, as supermarkets proved e.g. with state-owned or local joint-ventures in China (Chuang et al., 2011). According to Matsa (2011), product availability is a crucial factor to supermarkets and retailers. It is a measure of quality, as the author explained. In his study of 2011, Matsa (2011) found out that competition improves quality. Besides, price cuts can be experienced.

Consequently, quality and prices are important variables for supermarket and retailer competition. Three supermarkets build the largest chains in the world: Wal-Mart Stores Inc., Carrefour S.A., and 7 & i Holdings Co., Ltd.

Especially Wal-Mart Stores Inc.'s global success is often written about in literature. Wal-Mart Stores Inc.'s globalization strategy was forced forward in the beginning 1990s. Acquisitions in Europe and Canada were made and stores in South America opened (Colla, & Dupui, 2002). Today, Wal-Mart Stores Inc. is the largest supermarket chain in the world. Supermarkets as well as smaller grocery stores face Wal-Mart Stores Inc.'s supercenter competition. Especially since the beginning of the 21st century, Wal-Mart Stores Inc. is one of the biggest challenges its competitors have to face (Singh, Hansen, & Blattberg, 2006). Supercenters are meant to combine a full-line supermarket with a full-line discount store to enable customers to buy everything in a single shop. Consequently, not only food or general merchandise, but also services are offered and competed in (Singh, Hansen, & Blattberg, 2006). The mass supply leads to relatively low service for guaranteeing low prices (Matsa, 2011). As a result, besides the great portfolio Wal-Mart Stores Inc. offers, it is the cost and price leader in the industry. Low costs in the business lead to low prices offered to consumers (Singh, Hansen, & Blattberg, 2006). These low costs are guaranteed by a standardization of operations in all countries (Chuang et al., 2011). The price leadership is the competitive advantage of Wal-Mart Stores Inc., as Chuang et al. (2011) showed. Colla and Dupuis (2002) exemplified that Wal-Mart Stores Inc. and Carrefour S.A. are price leaders by simultaneously being innovative.

Carrefour S.A., in contrast to Wal-Mart Stores Inc., somehow adapts its strategies to the markets and the cultures. This leads to trial and error approaches in different countries, as e.g. in Japan. However, the company also sets on price leadership, as its counterpart Wal-Mart Stores Inc. does. Large orders and an optimized cost structure might lead to low prices. These pressures lead to love-hate relationships with the suppliers who have to guarantee special prices (Baek, 2005; Chuang et al., 2011).

In contrast to the counterparts being well present in literature, on 7 & i Holdings Co., Ltd., the third company of interest in this part, only little information is

available. Whether similar strategies can be expected in business performance will be found out in the following, together with data analyses of Wal-Mart Stores Inc. and Carrefour S.A.

Wal-Mart Stores Inc.

Overall, 2.1 million associates, how they call the employees, work for Wal-Mart Stores Inc. The company was founded in 1962 by Sam Walton and incorporated in 1969. In 1991, Wal-Mart Stores Inc. became international and opened its first international stores. ⁸⁵ For two years, the world's largest company is Wal-Mart Stores Inc. (Fortune Global 500 WMT, 2011). More than 640 stores belong to the company, whereof the majority is located in the USA. These are Wal-Mart Stores Inc. Discount Stores, Supercenters, Neighborhood Markets, and Express Stores. Additionally, people can buy their things on Walmart.com. ⁸⁶ Today, 740,000 people are employed in 27 countries outside the USA.

Carrefour S.A.

Carrefour S.A. is a French company which fell from rank 22 to rank 32 of the Fortune Global 500 list in 2011 (Fortune Global 500 CA, 2011). It is Europe's largest retailer and the second-largest one in the world. Four grocery store exist, namely convenience stores, cash&carry, super- and hypermarkets. Refour S.A. was founded by two families, namely Fournier and Defforey, in 1959. More than 9,500 stores belong to Carrefour S.A., either owned or operated as a franchise system.

7 & i Holdings Co., Ltd.

The 7 & i Holdings Co., Ltd. is composed of eight operating companies, namely IT/Service, Financial Service, Food Service, Convenience Store, General Merchandising Store, Department Store, Grocery Stores, and other lines of

⁸⁵ See http://walmartstores.com/AboutUs/ (n.d.), 12/01/2011.

⁸⁶ See http://walmartstores.com/AboutUs/7606.aspx (n.d.), 01/19/2012.

⁸⁷ See http://walmartstores.com/AboutUs/246.aspx (n.d.), 12/01/2011.

⁸⁸ See http://www.carrefour.com/cdc/group/our-group/ (n.d.), 12/01/2011.

⁸⁹ See http://www.carrefour.com/cdc/group/history (n.d.), 12/01/2011.

⁹⁰ See http://www.carrefour.com/cdc/group/our-business/our-stores/ (n.d.), 12/01/2011.

business.⁹¹ It was founded in 2005.⁹² It fell from rank 124 to rank 131 of the Fortune Global 500 list (Fortune Global 500 SVNDY, 2011). Besides in Japan, convenience stores can be found in the USA, Canada, and China (7 & i Corporate Outline 2011, 2011).

Employees and financial data

The number of employees at the supermarket and retailers was relatively stable between 2008 and 2010. Wal-Mart Stores Inc.'s employees were constantly at 2,100,000 people. Carrefour S.A. had a decrease of about four percent in 2009 and additional one percent in 2010. At 7 & i Holdings Co., Ltd., three and additional four percent less employees in 2009 and 2010 were indicated.

Whereas Wal-Mart Stores Inc. had an increase in net sales of seven percent in 2009, its counterparts lost compared to 2008. In fact, Carrefour S.A.'s net sales decreased by two percent, 7 & i Holdings Co., Ltd.'s revenues from operations decreased by nine and a half percent. In 2009, Wal-Mart Stores Inc. had an increase of about one percent, Carrefour S.A. of about five and a half percent. At 7 & i Holdings Co., Ltd., revenues from operations stagnated.

As literature suggested, the supermarkets and retailers market restructured after struggles in 2008 and 2009. All but Wal-Mart Stores Inc. experienced decreases in financial data and workforce. In 2010, re-increases took place. Wal-Mart Stores Inc., however, had increases in financial data in both periods.

Strategy analyses

Supermarkets and retailers have a relatively high fluctuation of customers. Products are bought regularly, as they are consumed in everyday life. To convince customers, Wal-Mart Stores Inc. centralizes price leadership in the strategy statement. Respect for customers, associates, and suppliers are valued.

Carrefour S.A. is equally client-oriented, but does not set on price leadership. The consumers' quality of life is of special interest to the company. Carrefour S.A. tries

⁹² See http://www.7andi.com/en/company/summary.html (n.d.), 12/01/2011.

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⁹¹ See http://www.7andi.com/en/company/organization.html (n.d.), 12/01/2011.

to convince customers by transformation, innovation, and three company values. These values are being committed, caring, and positive.

The Japanese retailer 7 & i Holdings Co., Ltd. provides high-quality products at reasonable prices. Following this strategy, the company wants to expand overseas. Its strengths, namely the knowledge of customer purchasing behavior as well as the capability of world-class selling, will help them to grow. Mainly local employees are employed. In the code of corporate product, the group explains that they want to minimize its environmental impact.

Cooperations

Neither Wal-Mart Stores Inc. nor its counterpart 7 & i Holdings Co., Ltd. name any partnerships in the available information. Carrefour S.A. supports local suppliers.

Responsibility

Wal-Mart Stores Inc. is explained to be a leader with respect to corporate sustainability. Environmental goals concern the company's value chain itself. Wal-Mart Stores Inc. wants to be supplied by renewable energy, create no waste, and sell products that sustain the environment and people. Carrefour S.A.'s sustainability approach is broadly defined. The company wants to meet environmental, human, and society needs. 7 & i Holdings Co., Ltd., more generally, wants to be a company that is trusted in. It tries to reduce emissions.

Supermarkets and Retailers and the PNC

The three retailers have different strategy directions, though their client-orientation chains their interests. EXTERNAL COMMUNICATION CULTURE is thus highlighted. As already summarized in the literature review, Wal-Mart Stores Inc. is interested in price-leadership and thus the COST CULTURE aspect of the PNC. WORK CULTURE is also valued. Carrefour S.A. wants to innovate and transform to convince the customers. INNOVATION CULTURE belongs to the important aspects of the PNC valued by supermarkets and retailers. 7 & i Holdings Co., Ltd. somehow combines the counterpart's visions. The Japanese want to convince with environmental indulgence and high-quality products at reasonable prices. COST CULTURE is thus

also of interest, combined with PRODUCT CULTURE. Moreover, GOVERNANCE CULTURE should be named, because standardization takes place. Information on INCENTIVE and INTERNAL COMMUNICATION CULTURE is only given by Carrefour S.A. with its three values.

With respect to production links, the following aspects of the PNC are valued most by supermarkets and retailers: JOINT-PRODUCTION ASSEMBLY with e.g. local suppliers, EXECUTIVE MANAGEMENT, ACCOUNTING, AND HRM. Besides product SALES, SERVICES are also offered, but partly on a low level. 7 & i Holdings Co., Ltd. provides products under its own brand names. Thus, 7 & i Holdings Co., Ltd. also sets on R&D to increase the portfolio.

Additionally, SUPPLIER RELATIONSHIP, CUSTOMER RELATIONSHIP, MARKETING AND MARKET COMMUNICATION, and some ACQUISITIONS, as literature suggested, are of importance. RESPONSIBILITY projects mainly focus on social and environmental needs. Besides, the COMPETITIVE RELATIONSHIP, but no cooperative aspect, is typical to the supermarkets and retailers industry. The products and services are sold at SELLING POINTS, namely at stores with the companies' names.

3.2.15 Consumer goods: Johnson & Johnson, The Procter & Gamble Company, and Unilever

In this part consumer goods are spotlighted. To have a broader view on the industry, two US-American and one European company are analyzed. No Asian consumer goods producer is included in the Fortune Global 500 (2011) list.

Especially in the consumer goods industry, innovation is the basis of success. ⁹³ As the industry transformed from a seller focused market to a buyer focused one, the customers' needs are centered. Synergy effects can be achieved, because international markets are satisfied and inter-company coordination occurs. In particular in the field of marketing, manufacturers and retailers co-operate (Zentes, Janz, & Morschett, 2000).

The Procter & Gamble Company, as Sandholm et al. (2006) elucidated, concentrates on optimizing the sourcing system. In fact, supply chain is an important aspect in the

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See http://www.unilever.com/investorrelations/annual_reports/AnnualReportandAccounts2010/Winningwith brandsandinnovation.aspx (n.d.), 11/29/2011.

consumer-driven industry. Costs have to be minimized by simultaneously building highly expressive relationships with suppliers. In fact, the resulting competition leads to efficiencies, as Sandholm et al. (2006) explained.

In 2000, The Procter & Gamble Company restructured its innovation business model. R&D consequently took place inside and outside the company, whereas R&D was not meant to be completely outsourced. Huston and Sakkab (2006) summarized that resulting from this restructuring, called "connect and develop," new products were developed faster and became cheaper and better. This open innovation is exemplary (Dodgson, Gann, & Salter, 2006; Huston, & Sakkab, 2006).

Johnson & Johnson, as its counterparts, also sets on innovation. Combining internal development, business unit reconfiguration, and acquisitions enabled and still enable the company to progressively innovate, as Karim and Mitchell (2004) found out. Acquisitions mainly took place between 1975 and 1997 (Karim, & Mitchell, 2004).

In the beginning of the 21st century, Unilever, the third company of interest in this part, already belonged to the intensively international working companies (Reitsma, 2001). How the company's strategic direction is and whether, as the literature proposes, innovation is still the crucial factor in the industry, will be of interest in the following strategy analyses of consumer goods companies.

Johnson & Johnson

In 1886, the three brothers Johnson, namely Robert Wood, James Wood, and Edward Mead, established Johnson & Johnson. Headquartered in New Brunswick, New Jersey, USA, Johnson & Johnson today employs 116,000 people around the world. Four business parts exist: The Consumer Health Company, Medical Devices and Diagnostics Company, Biologics Company, and Pharmaceuticals Company. Innovative ideas, services, and products are focused. In its credo, the company explains that constant cost reductions are necessary to satisfy the customers. Health, 2000 employees are employed in R&D projects (Johnson & Johnson Annual Report, 2010). With a decentralized management approach, Johnson & Johnson tries

⁹⁴ See http://www.jnj.com/connect/about-jnj/company-history (1997-2011), 11/29/2011.

See http://www.jnj.com/connect/about-jnj/ (1997-2011), 11/29/2011.
 See http://www.jnj.com/wps/wcm/connect/c7933f004f5563df9e22be1bb31559c7/jnj_ourcredo_english_us_8.5x11_cmyk.pdf?MOD=AJPERES (n.d.), 12/01/2011.

to support entrepreneurial acting.⁹⁷ On the Fortune Global 500 list, the company fell from rank 108 to rank 123 in 2011 (Fortune Global 500 JNJ, 2011).

The Procter & Gamble Company

The US-American The Procter & Gamble Company, being headquartered in Cincinnati, Ohio, today is on rank 80 (previous 66) of the Fortune Global 500 list (Fortune Global 500 PG, 2011). The company combines global scale benefits with a local focus; efficiency and speed are of importance. The corporate structure is based on four so called pillars, namely Global Business Units, Global Units Services, Corporate Functions, and Market Development Organizations. ⁹⁸ The majority of the employees hold stocks in order to increase the integrity. ⁹⁹

Unilever

Unilever is located in the Netherlands (Unilever N.V.) and Great Britain (Unilever PLC)¹⁰⁰. Competing in eleven categories, the company was able to globally lead in seven (Unilever Annual Report 2010, 2010). Today, it ranks 136th of the Fortune Global 500 list, fallen from 121st (Fortune Global 500 UL, 2011). Unilever is set together by different companies and exists since 1930. The first factory that later became part of Unilever was opened in 1872, producing margarine.¹⁰¹

Employees and financial data

All but one number show that the number of employees is shrinking in the field of consumer goods. The Procter & Gamble Company had two percent and six percent less employees in 2009 and 2010. Johnson & Johnson had decreases of about three percent and a half percent. On the contrary, Unilever's workforce lessened by six and a half percent in 2009, but re-increased by two and a half percent in 2010.

⁹⁷ See http://www.jnj.com/connect/about-jnj/management-approach/ (1997-2011), 12/01/2011.

See http://www.pg.com/en_US/company/global_structure_operations/index.shtml (2011), 12/01/2011.

See http://www.pg.com/en_US/company/global_structure_operations/governance/index.shtml (2011), 12/01/2011.

¹⁰⁰ Please note: We refer to Unilever N.V. and Unilver PLC as Unilever.

See http://www.unilever.com/aboutus/ourhistory/ (2011), 12/02/2011; http://www.unilever.com/aboutus/ourhistory/1885 1900/ (2011), 12/02/2011.

Despite the decrease of workforce at the company, The Procter & Gamble Company is one of the few companies to have an increase of net sales in 2009. This increase was at nearly three percent and nearly five percent in 2010. In contrast, Johnson & Johnson's net sales decreased by three and a half percent in 2009 and 2010. Unilever had decreases of turnover of two percent in 2009 and an increase of 11.2 percent in 2010. One can thus conclude that the consumer goods market is relatively heterogeneous. Decreases and increases in financial data and workforce were present in the analyzed periods.

Strategy analyses

As already explained above, the consumer goods industry is spurred on by innovation on global markets. Brand building and selling the goods and services to worldwide markets is of special interest to the three analyzed companies. The Procter & Gamble Company sets priority to superior quality and value for improving customers' lives. Its core strengths are developed for understanding the consumers and scale. Johnson & Johnson defines four growth enablers. These are products, pipelines, global presence, and people. Unilever wants to improve with the people. The corporate vision outlines to help people to look and feel good.

The Procter & Gamble Company clearly defines the leadership position. Johnson & Johnson aims at having a sustainable competitive advantage, as explained in the vision.

The industry is future-oriented. Unilever e.g. wants to inspire people to improve something to make a big difference in the world. Environmental impact is aimed at being minimized by not neglecting growth.

Cooperations

The Procter & Gamble Company uses the term partner to define relationships to other companies. Johnson & Johnson as well as Unilever further elucidate strategic relationships, e.g. with suppliers. Additionally, R&D is fostered. Both companies have partnerships with e.g. academic institutions and other R&D organizations. Johnson & Johnson centers cultivating external relationships in the mission. Unilever further has joint innovation programs.

Responsibility

The Procter & Gamble Company's responsibility statement is relatively broad. The company aims at being environmentally and socially sustainable. Johnson & Johnson wants to be transparent and support education. The company is also more oriented towards medical innovation and healthcare and tries to guarantee access to medicines. Johnson & Johnson sums up to be responsible to product users, to employees, to communities, and to stockholders.

Unilever also works on improving health and well-being. The company describes its aim in a sustainable living plan. Accompanying the general health, the company aims at enhancing the livelihoods of the people being involved in the supply chain. This attempt is unique. As The Procter & Gamble Company, Unilever also centers the environment. More precisely, it explains to halve the environmental impact of production and use of products.

Consumer goods and the PNC

The consumer goods market is a relatively competitive industry. The customers are broad defined, no special group is satisfied. EXTERNAL COMMUNICATION CULTURE is followed to convince old and new customers to buy new products. The companies try to lead by INNOVATION CULTURE, as expected after the literature research. To innovate, the production link R&D of the PNC is of highest importance, combined with a high quality PRODUCT CULTURE with partly localized products by simultaneously focusing on the COST CULTURE. The impact on people is further highlighted, to be improved by the products. To make the companies succeeding, an excellent workforce is needed. INCENTIVE CULTURE, INTERNAL COMMUNICATION CULTURE as well as WORK CULTURE should be additionally underlined. As a consequence, the production link of HRM is further important. PRODUCTION of superior products takes place which have to be sold (SALES) by a good SERVICE to convince customers. JOINT-PRODUCTION ASSEMBLY is supported. Furthermore, EXECUTIVE MANAGEMENT and ACCOUNTING should be added.

As summarized in the literature review, the CUSTOMER RELATIONSHIP is essential to the consumer goods companies. SUPPLIER RELATIONSHIP, SHAREHOLDER RELATIONSHIP, as well as the COMPETITIVE AND COOPERATIVE RELATIONSHIP should

further be highlighted. The companies have to communicate their news to the customers by MARKETING AND MARKET COMMUNICATION and sell them at SELLING POINTS/PARTNERS. Again, RESPONSIBILITY is of great importance; in social and environmental needs. Literature underlined ACQUISITIONS in the 1970s to 1990s.

3.2.16 Chemical products: BASF SE, Dow Chemical Company, and Sinochem International (Holding) Co. Ltd.

Historically seen, the chemical products industry as a large manufacturing industry belongs to the oldest high-tech industries in the world (Arora, 1997). The market is relatively stable. 2005 until 2010, sales increased by one percent and consumption by less than one percent. 21 percent of world chemicals sales in 2010 were accounted in Europe. Overall, world sales are valued at 2,353 billion Euros (Eurostat and Cefic Analysis, 2011). Since the post war time, a change in the chemical industry could be experienced, as Arora (1997) showed. The time was coined by a new specialization of firms, namely in development and trade of so-called process technologies. New market entrants increased and led to a growth of the market. Additionally, steady innovations were made. These factors led to an increase of licensing in the market (Arora, 1997). One can thus conclude that innovation is the most important factor on the chemical market.

The chemical market is seen as a key industry in Germany (Fieten, & Schmidt, 1994). Six percent of the world sales are accounted in Germany (Eurostat and Cefic Analysis, 2011). In fact, the German BASF SE is the largest chemical producer in the world and among the top 100 Fortune Global 500 companies. BASF SE and US Dow Chemical Company are presented in the following.

In the NAFTA region, 19 percent of yearly sales can be allocated, whereas in China, nearly 25 percent are measured. Together with other Asian countries including Japan, China's market is twice as big as Europe's (Eurostat and Cefic Analysis, 2011). Sinochem International (Holding) Co., Ltd. is the largest chemical producer in Asia and will also be of interest in the upcoming part.

BASF SE

Friedrich Engelhorn founded the company Badische Anilin- & Soda-Fabrik in 1865. It can be seen as the cornerstone of BASF SE. ¹⁰² In 2012, BASF SE produced in six markets. These are chemicals, plastics, performance products, functional and agricultural solutions, as well as oil and gas. As the company calls itself a chemical company, it is included in chemical products analysis in this work. ¹⁰³ Between 2009 and 2010, BASF SE grew and is now the 71st largest company in the world, compared to being the 81st largest one in 2009 (Fortune Global 500 BFFAF, 2011).

Dow Chemical Company

Dow Chemical Company was established in 1897 by Herbert H. Dow. ¹⁰⁴ Nowadays, the company consists of the following segments, namely electronic and functional materials, coatings and infrastructure solutions, agricultural sciences, performance materials, performance plastics, as well as feedstocks and energy. ¹⁰⁵ The US-American Dow Chemical Company ranks 152th of the Fortune Global 500 list (previous rank: 161st) (Fortune Global 500 DOW, 2011).

Sinochem International (Holding) Co., Ltd.

The Sinochem International (Holding) Co., Ltd. was listed on Shanghai Stock Exchange in 2003, after having been incorporated in 1950. ¹⁰⁶ It operates in five segments, namely chemical, energy, agricultural, finance, and real estate. ¹⁰⁷ It is the 168th largest company in the world, having grown from the 203th (Fortune Global 500 SCM, 2011). It was the first Chinese company to be ranked in the Fortune Global 500 list (Sinochem Group 2010 Annual Report, 2010).

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 $^{^{102}}$ See http://www.basf.com/group/corporate/en/about-basf/history/1865-1901/index (2012), 01/18/2012.

¹⁰³ See http://www.basf.com/group/corporate/en/about-basf/index?mid=1 (2012), 01/18/2012.

¹⁰⁴ See http://www.dow.com/about/aboutdow/history/timeline.htm (2011), 12/22/2011.

¹⁰⁵ See http://www.dow.com/about/aboutdow/profile/corp.htm (2011), 12/22/2011.

See http://www.sinochem.com/g773.aspx (2011), 12/22/2011; http://www.sinochem.com/g704.aspx (2011), 12/22/2011.

¹⁰⁷See http://www.sinochem.com/g704.aspx (2011), 12/22/2011.

Employees and financial data

With respect to employee growth rates, a steady increase of people working for the companies can be found at BASF SE and Sinochem International (Holding) Co., Ltd. However, the strong increase of about eight percent and 19 percent slowed down to about four and three and a half percent from 2009 to 2010. Dow Chemical Company's number of employees grew by 13 percent from 2008 to 2009. About six percent less employees were employed in 2010.

All three companies experienced downturn results in 2009, all by 20 percent. In 2010, the companies' results increased again. BASF SE had an increase of sales (net income) by 26 percent. Dow Chemical Company's net sales increased by 19.6 percent. The Sinochem International (Holding) Co., Ltd.'s revenue from operations increased by 38.7 percent. This strong growth trend made Sinochem International (Holding) Co., Ltd. increase by nearly 40 places in the Fortune Global 500 list.

Strategy analyses

Creativity and innovativeness as well as openness and responsibility are the key elements of the chemical industry. Sustainable high quality is the aim of the companies producing chemicals. BASF SE wants to achieve this value together with the team and an entrepreneurial spirit. Dow Chemical Company wants to be proactive. Sinochem International (Holding) Co., Ltd. further explains its focus in the strategy statement. The company wants to achieve by being diligent and pursuing excellence.

The teams' and customers' wishes as well as the companies' growths are also of interest. Sinochem International (Holding) Co., Ltd. sets on honesty and sustainability. In its policy, Dow Chemical Company stresses that customers have to be satisfied by high quality, reliability, and integrity.

Sinochem International (Holding) Co., Ltd.'s vision is to become a great and respectable global company. Its presence in the Fortune Global 500 list, the facts that the company grows in the ranks, and that its strategy is similar to the world leaders', signal that Sinochem International (Holding) Co., Ltd. is on its way to achieve this vision.

3. Industry-by-industry analyses (Power Network Analysis) and data analysis

Cooperations

All three companies explicitly state that cooperations are of importance. BASF SE has joint investments with other global companies on a vertical basis. Dow Chemical Company also names joint-ventures and Sinochem International (Holding) Co., Ltd. mergers and acquisitions as well as collaboration. Being cooperative is also a core of the latter's corporate culture.

Additionally, BASF SE and Dow Chemical Company underline their research cooperations. They thus support the idea of innovation which is repeatedly stated. BASF SE further elucidates its "Logistics Verbund" as a horizontal cooperation.

Responsibility

Dow Chemical Company's responsibility statement is relatively wide ranged. The company wants to address world challenges. This aim is also anchored in the policy. BASF SE further explains environment and society to be addressed by its responsibility. Sinochem International (Holding) Co., Ltd. wants to reach harmony with the nature and explicitly underlines its impact on China. The company wants mutual prosperity for the country and to develop with clients and employees. In contrast to Dow Chemical Company, the Chinese company thus centers country problems, not world challenges. This conforms to the Group's vision to become (and not to be) a global present company.

Chemical products and the PNC

One can sum up that INNOVATION CULTURE and PRODUCT CULTURE are the most important aspects in the pharmaceutical industry, as the short literature review above already prognosticated. Innovation is a needful condition for finding answers to e.g. healthcare around the world. This innovation can only be made by an excellent workforce, which Gassmann, Reepmeyer, and von Zedtwitz (2008) already mentioned. Thus WORK CULTURE, INCENTIVE CULTURE, and INTERNAL COMMUNICATION CULTURE are to be added. Moreover, EXTERNAL COMMUNICATION CULTURE has to take place to convince customers.

The production link factors R&D and HRM of the PNC should also be highlighted. Furthermore, PRODUCTION and JOINT-ASSEMBLY PRODUCTION, defined as joint investments, are essential aspects.

Innovation means for the companies to be competitive on the market. Cooperations are mainly made with vertical partners. COMPETITIVE AND COOPERATIVE RELATIONSHIPS and SUPPLIER RELATIONSHIPS exist; CUSTOMER RELATIONSHIP is cultivated. Some ACQUISITIONS take place on the market. RESPONSIBILITY faces environmental and social needs.

3.2.17 Pharmaceutics: Cardinal Health, Inc., Novartis AG, and Suzuken Co., Ltd.

The pharmaceutical industry's roots go back to chemical production. Chemical products were analyzed in the foregoing part. In fact, production processes are similar in both industries. However, an additional analysis of pharmaceutics takes place in this part.

Gassmann, Reepmeyer, and von Zedtwitz (2008) pointed to the former cash cow position of the pharmaceutical industry. In many countries, pharmaceutical companies were profitable businesses and guaranteed shareholder value. However, dynamic forces in the regulatory and competitive environment changed the industry's competitiveness. Regulations for prices, R&D, or intellectual property rights can be found relatively often with respect to the pharmaceutical companies. According to Nolan (2002), in the 1990s, mainly mergers and other transformations led to a change in the world pharmaceutics markets. What remains is the demand of high quality products (Gassmann, Reepmeyer, & von Zedtwitz, 2008). Consequently, the pharmaceutics industry is mainly driven by innovation. Thus, dynamics are predominant as challenges. The increase of innovation can also be demonstrated by the increase of R&D expenditures in the industry (Cockburn, 2004).

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¹⁰⁸ See e.g. http://www.cardinal.com/mps/public/!ut/p/c1/04_SB8K8xLLM9MSSzPy8xBz9CP0os3gj A3cDAwtfZ18fV2NTA09HL_dAYz8TQ4NQM_3g1Dz9cJAus3gDHMDRQN_PIz83Vb8g28sCAIf p8jU!/dl2/d1/L0lDU0lKSWdra0EhIS9JTlJBQUlpQ2dBek15cUEhL1lCSkoxTkExTkk1MC13ISEvN 18yMEcwMDhNQ01MQ1FEMEk2S0w5MTJLMzAwNQ!!/?WCM_PORTLET=PC_7_20G008MC MLCQD0I 6KL912K3005_WCM&WCM_GLOBAL_CONTEXT=/mps/wcm/connect/us/en/About Us/OurHistory/ (2010, 2011), 12/08/2011.

Gassmann, Reepmeyer, and von Zedtwitz (2008) explained the pharmaceutical industry to be inherently global. This is due to the science-driven endeavor. In fact, the authors conclude that with respect to R&D internationalization, the industry is one of the most advanced ones. Chinese companies are foreseen to become more competitive in the pharmaceutical industry. Today, three global companies are the largest in the field of pharmaceutical products. These are Cardinal Health, Inc., Novartis AG from Switzerland, and the Japanese Suzuken Co., Ltd. In the following, it will be found out how these three companies act on the global market and whether Gassmann, Reepmeyer, and von Zedtwitz's (2008) statement of the pharmaceutical companies to compete in prices, advertising, acquisitions, and new product introduction still summarizes the competitive environment of the companies some years after their study.

Cardinal Health, Inc.

Cardinal Health, Inc. lost ten ranks compared to last year and is this year the 53rd largest company in the world (Fortune Global 500 CAH, 2011). Since 1971, the company, founded by Robert D. Walter, aims at offerering innovative services and products. ¹⁰⁹ It has headquarters in Ohio and Dublin. ¹¹⁰

Novartis AG

Novartis AG is located in Basel, Switzerland, and is the 164th largest company in the world (2010: 160th) (Fortune Global 500 NVS, 2011). A merger of Sandoz and Ciba-Geigy led to the establishment of Novartis AG in 1996. ¹¹¹ The company focuses on five key business areas. These are pharmaceuticals, eye care, generic medicines and biosimilars, treatments for animals and self-medication products, as well as diagnostics and vaccines. ¹¹²

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¹⁰⁹ See http://www.cardinal.com/mps/public/!ut/p/c1/04_SB8K8xLLM9MSSzPy8xBz9CP0os3gjA3c DAwtfZ18fV2NTA09HL_dAYz8TQ4NQM_3g1Dz9cJAus3gDHMDRQN_PIz83Vb8g28sCAIfp8jU !/dl2/d1/L0lDU0lKSWdra0EhIS9JTlJBQUlpQ2dBek15cUEhL1lCSkoxTkExTkk1MC13ISEvN18y MEcwMDhNQ01MQ1FEMEk2S0w5MTJLMzAwNQ!!/?WCM_PORTLET=PC_7_20G008MCML CQD0I6KL912K3005_WCM&WCM_GLOBAL_CONTEXT=/mps/wcm/connect/us/en/AboutUs/O urHistory/ (2010, 2011), 12/08/2011.

¹¹⁰ See http://www.cardinal.com/us/en/Media/Facts (2011), 12/22/2011.

See http://www.novartis.com/about-novartis/company-history/index.shtml (2011), 12/22/2011.

¹¹² See http://www.novartis.com/about-novartis/healthcare-portfolio/index.shtml (2011), 12/22/2011.

Suzuken Co., Ltd.

Suzuken Co., Ltd. was founded in 1932 in Japan. 113 It combines the following business domains: pharmaceutical distribution, pharmaceutical manufacturing, insurance pharmacy, and healthcare-related services. 114 Suzuken Co., Ltd. lost sixteen ranks in the Fortune Global 500 list of 2011, namely from 462 to 478 (Fortune Global 500 SZUKF, 2011).

Employees and financial data

Suzuken Co., Ltd. as well as Novartis AG had increases in employees in 2009 and 2010. These were about seven and three percent at the former and three and nearly 19.6 percent at the latter. Cardinal Health, Inc., in contrast, had a decreasing workforce of two and a half percent in 2009 and 33 percent in 2010.

The three analyzed companies had increases in financial results. Cardinal Health, Inc. experienced an increase of revenue of two and a half percent in 2009 and four percent in 2010. Suzuken Co., Ltd.'s and Novartis AG's net sales also increased, namely by nearly six and nearly seven percent in 2009 and one and 14.4 percent in 2010.

Concluding the financial data, one can state that the pharmaceutical industry grows. This can also be said about its employees, except Cardinal Health, Inc.'s workforce in 2009.

Strategy analyses

In its vision, Cardinal Health, Inc. explicitly declares its competitive advantage. Focusing on maximizing it, the company wants to be the healthcare industry leader. This is achieved by being innovative by simultaneously adapting. The strategy statement further explains that the company is future-focused while making bold new strides today.

Cardinal Health, Inc.'s mission adds how the company wants to achieve its goals. With the best people working for it in a stimulating workplace, Cardinal Health, Inc.

 113 See http://www.suzuken.co.jp/english/company/about.html (n.d.), 12/08/2011. 114 See http://www.suzuken.co.jp/english/whats/index.html (n.d.), 12/08/2011.

wants to satisfy the market needs. The company tries to eliminate disadvantages by using external contributions. Cardinal Health, Inc.'s values explain that it wants to have better and safer healthcare delivery.

In contrast to Cardinal Health, Inc.'s, Novartis AG's as well as Suzuken Co., Ltd.'s strategy statements are less explicit. Novartis AG's aim is to discover, develop, and market healthcare products. Quality of life will increase, diseases be cured. The mission is very customer oriented. Neither the workforce nor the workplace is discussed. This is the same for strategy. Novartis AG explains to satisfy the patients' needs worldwide. Innovation is of extraordinary importance.

Suzuken Co., Ltd. presents no vision, mission, or philosophy. However, the innovative aspect that Novartis AG and Cardinal Health, Inc. foster is also focused. In its corporate philosophies, customers and employees are centered. On the one hand, customers profit from Suzuken Co., Ltd.'s products. On the other hand, the employees' well-being is of interest. Additionally, Suzuken Co., Ltd. wants to be responsible and be itself a good citizen.

Cooperations

Partnerships with other companies are highlighted. Novartis AG underlines its alliances. Cardinal Health, Inc. is even more concrete and explicates that on the one side, it consolidates pharmaceutical from hundreds of manufacturers and sets on supplier diversity. Vertical cooperations are made. On the other side, Cardinal Health, Inc. fosters strategic business relationships and searches for partners. Consequently, horizontal cooperations are searched for.

Suzuken Co., Ltd., in contrast to Cardinal Health, Inc. and Novartis AG, explicitly defines itself as a pharmaceutical distribution leader. Information on cooperations and/or partnership was not found.

Responsibility

Cardinal Health, Inc. underlines that working in the field of healthcare itself is responsible. Besides, the company supports three kinds of programs which are

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essential to healthcare, wellness, and/or community. Furthermore, the company partners with healthcare organizations.

Novartis AG calls the patients to respond its responsibility. Additionally, the company takes care of people, communities, and the environment. Suzuken Co., Ltd.'s responsibility statement is even more general. The company states that it works for the world and the people.

Pharmaceutics and the PNC

As chemical products and pharmaceutics are similar in production etc., similar aspects of the PNC are important to both industries. In pharmaceutics, these are INNOVATION CULTURE and PRODUCT CULTURE. All but one company focus on WORK CULTURE, INCENTIVE CULTURE, and INTERNAL COMMUNICATION CULTURE.

PRODUCTION takes place. Gassmann, Reepmeyer, and von Zedtwitz (2008) advise pharmaceutical companies to improve both, collaboration between R&D and marketing, in order to become more patient-oriented. Information on exclusive marketing cannot be found in the available data. Additionally, neither the defined competition in prices nor competition in acquisitions, as the short literature review predicted, could be found. However, the aspect R&D in general (see production links) was underlined by the companies. No information was given on marketing and only a little is known about ACQUISITIONS.

COMPETITIVE AND COOPERATIVE RELATIONSHIPS exist, whereas Suzuken Co., Ltd. does not give information on cooperative parts. SUPPLIER RELATIONSHIP is important. RESPONSIBILITY centers environmental and social needs. However, by definition the companies understand themselves as being responsible by acting on the healthcare market.

In fact, the available information on pharmaceutics was not consistent. Moreover, less information was available than on the chemical products industry.

3.2.18 Tobacco: Imperial Tobacco Group PLC, British American Tobacco PLC, and Japan Tobacco Inc.

Due to its controversial products, the tobacco industry is the perhaps least accepted one on the world market (Palazzo, & Richter, 2005). Be it as it may, the tobacco market is defined as being relatively stable. About six trillion cigarettes are bought yearly. Four large tobacco companies exist, excluding Chinese companies. Besides the three below mentioned, namely Japan Tobacco Inc., Imperial Tobacco Group PLC, and British American Tobacco PLC, Philip Morris is also globally present. These four companies satisfy 69 percent of the tobacco demand.¹¹⁵

Hirschhorn (2004) showed that in the beginning of the 21st century, the tobacco companies intensively worked on their CSR. The author accused the companies to hide behind their social work in order to improve and restore their reputation by public and investors. Hirschhorn (2004) criticized the irony on producing harmful products and trying to restore the image by CSR. Thus, Hirschhorn (2004) concluded that further regulation of cigarettes to diminish the health threats caused by the tobacco products is of importance. This irony is also criticized by organizations. Palazzo and Richter (2005) led this mistrust back to the lethal character of the tobacco products on the one side. On the other side, Palazzo and Richter (2005) criticized the dubious behavior of the industry's representatives in the past. To be more precise, risks have been denied and information manipulated by the companies which lead to mistrust towards them. As an answer to the distrust, the companies follow a CSR strategy. This strategy differs from the one followed in other industries, because the tobacco industry companies mainly focus on the transactional level of CSR. In addition to that, lobbyism and corporate philanthropy initiatives, as e.g. donating, are meant to positively change the industry's image. In the following, the companies general strategies, and their CSR focus in particular, will be analyzed.

Imperial Tobacco Group PLC

In the Fortune Global 500 list, the British Imperial Tobacco Group PLC holds rank 413, loosing ranks from 377 (Fortune Global 500 ITYBF, 2011). The Group was

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¹¹⁵ See http://www.imperial-tobacco.com/index.asp?page=138 (n.d.), 12/09/2011.

founded in 1901.¹¹⁶ Its numerous acquisitions are named on the website. British Imperial Tobacco Group PLC has financial criteria and strategic criteria, as adding brand equity, increasing the geographic footprint, the reduction of costs, and the extraction of synergies as reasons for building acquisitions.¹¹⁷

British American Tobacco PLC

British American Tobacco PLC was founded in 1902 by a joint-venture between the American Tobacco and the British Tobacco companies. Nowadays, it is the 424th largest company in the world, having lost ranks from 387th (Fortune Global 500 BTI, 2011). According to the company, it is the tobacco company being the most international. 119

Japan Tobacco Inc.

The Japan Tobacco Inc. was founded in 1985. ¹²⁰ Besides the domestic and the international tobacco business, the Japan Tobacco Inc. engages in pharmaceutical products and food production. ¹²¹ The company ranks 426th and thus lost ten ranks in the Fortune Global 500 list compared to the foregoing year (Fortune Global 500 JAPAF, 2011).

Employees and financial data

22.5 percent more people worked for Imperial Tobacco Group PLC in 2009, compared to 2008. British American Tobacco PLC's workforce stayed relatively stable, Japan Tobacco Inc. had losses of three percent. Whereas the latter's number of employees re-increased by nearly four percent in 2010, Imperial Tobacco Group PLC and British American Tobacco PLC reduced its number of employees in 2010, both by nearly five percent.

The revenues of the two largest tobacco companies increased in 2009 and 2010. To be more precise, Imperial Tobacco Group PLC had an increase of 29 percent in

¹¹⁶ See http://www.imperial-tobacco.com/index.asp?page=43 (n.d.), 12/16/2011.

See http://www.imperial-tobacco.com/index.asp?page=406 (n.d.), 12/09/2011.

See http://www.bat.com/group/sites/uk__3mnfen.nsf/vwPagesWebLive/DO52ADGE?opendocu ment&SKN=1 (2011), 12/09/2011.

¹¹⁹ See http://www.bat.com/ (n.d.), 12/09/2011.

¹²⁰ See http://www.jt.com/about/outline/data/index.html (2011), 12/09/2011.

See http://www.jt.com/about/division/index.html (2009), 12/09/2011.

2009 and six percent in 2010; British American Tobacco PLC of 17 percent and nearly five percent in the same periods. On the contrary, Japan Tobacco Inc.'s net sales decreased by 12 percent in 2009 and again one percent in 2010.

Summing up, all but Japan Tobacco Inc. experienced increases in financial data in 2009 and 2010. The number of employees stayed relatively stable.

Strategy analyses

Imperial Tobacco Group PLC values individuals, teams, customers, and shareholders. The group sets on cost optimization and effective cash utilization. Imperial Tobacco Group PLC has three areas of focus. These are consumer centricity, execution excellence, and future foundations. As for the competitors, a unique portfolio with high quality brands is important for Imperial Tobacco Group PLC.

Japan Tobacco Inc.'s way as well as British American Tobacco PLC's strategy statement direct the same trend. The companies want to fulfill the customers' expectations. A good team has to realize growth. Continuous improvements are aimed at in order to build outstanding brands. However, shareholders are only indirectly addressed while growth is highlighted.

Cooperations

Cooperations are especially made in the field of illicit trade of tobacco. Thus, diagonal cooperation exists. Besides, cooperations are relatively rare in the field of tobacco. British American Tobacco PLC and Japan Tobacco Inc. have no economic partnerships named in the available data. Imperial Tobacco Group PLC explains the acquisitions made with other tobacco companies. One can conclude that the tobacco industry does not center any cooperation. This conclusion is supported by the fact that visions underline leadership.

Responsibility

Especially in the field of tobacco manufacturing, the companies try to be responsible. The companies stand by their health risks they cause with their

products. Responsibility of tobacco companies is often discussed in literature, as explained above.

Imperial Tobacco Group PLC frames its production and selling responsibly. Moreover, employees are enabled, society contributed to, and natural resources respected. British American Tobacco PLC sets on environmental management in general. The whole company and the people working for it are asked to act responsibly. Human rights are followed. A reduction of the harm the tobacco products cause is directly hinted at. Contrarily, Japan Tobacco Inc. aims at winning consumers' trust through its corporate social responsibility.

Tobacco and the PNC

Leading with unique brands and good working is the companies' interest. Thus, WORK CULTURE, INNOVATION CULTURE, INCENTIVE CULTURE, PRODUCT CULTURE, and INTERNAL COMMUNICATION CULTURE should be highlighted in this context. To fulfill customers' expectations, EXTERNAL COMMUNICATION CULTURE takes place.

Cost optimization, as integrated by COST CULTURE and by the production link ACCOUNTING into the PNC, is also highlighted by one company. Products have to be sold by SELLING PARTNERS. HRM as well as EXECUTIVE MANAGEMENT have to be optimized.

RESPONSIBILITY of highest importance and belongs to the EXTERNAL COMMUNICATION CULTURE of the companies. In fact, the companies try the balance the harm their products cause. The short literature review already showed the ambivalent situation of tobacco companies trying to be responsible. In general, RESPONSIBILITY centers environmental and social needs.

Tobacco companies are relatively competitive. Competition occurs especially in the field of MARKETING AND MARKET COMMUNICATION and SALES. Thus, COMPETITIVE RELATIONSHIPS, but no cooperative ones, exist. Additionally, SHAREHOLDER RELATIONSHIP and ACQUISITIONS should be elucidated. Moreover, cooperations with respect to illicit trade are made. These are mainly relationships to governments.

3.2.19 Industrial companies: Compagnie de Saint-Gobain, Caterpillar Inc., and Hyundai Heavy Industries Co., Ltd.

In this part, three industrial companies are analyzed. These are Compagnie de Saint-Gobain, Caterpillar Inc., and Hyundai Heavy Industries Co., Ltd. All three process companies operate in the medium-technology sector (Laperche, Lefebvre, & Langlet, 2011) and are influenced by global macroeconomic trends. Due to a rise of GDP in growth markets as China and Brazil, higher standards of living are asked for. Consequently, a higher demand of services, goods, and commodities can be experienced. Consequently, mining exceeds. Additionally, an increase of urbanization asks for improving infrastructure which leads to an increase of need in construction equipment. Finally, energy consumption increases and alternative energy solutions are searched for. New solutions can be presented by industrial companies (Caterpillar 2010 year in review, 2010).

Avlonitis and Gounaris (1997) found out that industrial companies are less interested in marketing than consumer goods companies. In contrast, industrial companies more center production, their products, and/or sales in order to explicate their competitive advantage. Laperche, Lefebvre, and Langlet (2011) further underlined the importance of R&D to work on innovative products. Especially for Compagnie de Saint-Gobain, innovation seems to be a crucial factor. Although industrial companies suffered from the global crisis in 2009, Compagnie de Saint-Gobain still sets on R&D, mainly in the field of environmental-friendly products. Cooperations are made, also with suppliers (Laperche, Lefebvre, and Langlet, 2011). Compagnie de Saint-Gobain's strategy will be further elucidated in the following.

The second industrial company of interest in this part is Caterpillar Inc. The company's growth stagnated in the 1980s. Simultaneously, the company experienced an increase of competition. However, Caterpillar Inc. succeeded on the market and improved its financial data (Neilson, 2005; Byrne, Lubowe, & Blitz, 2007). Today, Caterpillar Inc. is the second largest industrial company in the world. How Compagnie de Saint-Gobain's, Caterpillar Inc.'s, as well as Hyundai Heavy Industries Co., Ltd.'s strategies are structured today will be of interest in the following.

Compagnie de Saint-Gobain

Compagnie de Saint-Gobain's history goes back to 1665. The company sees itself as the world-leader in the construction and habitat market. Compagnie de Saint-Gobain further designs, builds, and sells building materials. ¹²² Active in three markets, namely construction, renovation, and other markets (automotive, household consumption, etc.) ¹²³, the French Compagnie de Saint-Gobain became the 155th largest company in the world in 2011 (2010: 132nd) (Fortune Global 500 SGO, 2011).

Caterpillar Inc.

Caterpillar Inc.'s history goes back to 1905 when the first documents show Caterpillar machines. 124 Caterpillar Inc. sees itself as being the world's leader of the following products: mining and construction equipment, natural gas, diesel engines, diesel-electric locomotives, and industrial gas turbines. Additionally, services are provided, namely Caterpillar Remanufacturing, financial, Logistics, and Progress Rail Services. 125 Today, the US-American company ranks 202nd of the Fortune Global 500 list by having won 27 ranks compared to previous year's list (Fortune Global 500 CAT, 2011).

Hyundai Heavy Industries Co., Ltd.

Seven business divisions group Hyundai Heavy Industries Co., Ltd. These are shipbuilding, offshore and engineering, industrial plant and engineering, engine and machinery, electro electric systems, green energy, and construction equipment. The company was founded in 1972 and was separated from Hyundai Group in 2002 Today, the South Korean Hyundai Heavy Industries Co. is the 220 largest company in the world, increasing from rank 375 (Fortune Global 500 HHI, 2011).

¹²² See http://www.saint-gobain.com/en/group (2012), 01/09/2012.

See http://www.saint-gobain.com/en/group/our-markets (2012), 01/09/2012.

¹²⁴ See http://www.caterpillar.com/company/history (2011), 01/05/2012.

¹²⁵ See http://www.caterpillar.com/company (2011), 01/05/2012.

¹²⁶ See http://english.hhi.co.kr/business/index_02.asp (2008), 01/05/2012.

¹²⁷ See http://english.hhi.co.kr/company/index_01.asp (2008), 01/05/2012.

See http://english.hhi.co.kr/company/at_a_glance.asp (2008), 01/05/2012.

Employees and financial data

The industrial company market is symbolized by shrinking employee numbers. Compagnie de Saint-Gobain had eight and a half percent and one percent less employees in 2009 and 2010. Caterpillar Inc.'s number of employees decreased by seven and one percent and Hyundai Heavy Industries Co., Ltd.'s by one and three percent.

As the employees, financial results also reduced for all three companies in 2009. These decreases were at 13.7 percent at Compagnie de Saint-Gobain, nearly 37 percent at Caterpillar Inc., and five percent at Hyundai Heavy Industries Co., Ltd. In 2010, the results turned upward. Compagnie de Saint-Gobain had an increase of six percent in net sales. Caterpillar Inc.'s sales and revenues were 31.5 percent higher in 2010 than in 2009. Hyundai Heavy Industries Co., Ltd. had 75.2 percent more net income in 2010.

Overall, the companies develop similarly with decreases in both, workforce and financial data in 2009. In 2010, number of employees again decreased, but financial data re-increased.

Strategy analyses

The three industrial companies exemplify the aim to be global leaders. This competitive position is defended by providing innovative, advanced, and (energy) efficient solutions.

Compagnie de Saint-Gobain as well as Caterpillar Inc. further highlight shareholder's wishes to be satisfied and to stay sustainable. Compagnie de Saint-Gobain wants to provide solutions tailored to the market and customers' needs. In the operating principles, Caterpillar Inc. additionally defines supplier relationships and competitive costs to be important.

Hyundai Heavy Industries Co., Ltd. further points to employees: In the core values, the company sets on promises and trust. Caterpillar Inc. focuses on best teams. Hyundai Heavy Industries Co., Ltd. wants to optimize business structure.

Cooperations

Caterpillar Inc. and Hyundai Heavy Industries Co., Ltd. name their affiliates on their website. Additionally, Hyundai Heavy Industries Co., Ltd. explicitly points to mergers. Compagnie de Saint-Gobain, on the contrary, underlines the unrivalled portfolio and thus explains the competitive advantage. Cooperations are only made, according to the available information, in the field of research.

Responsibility

Compagnie de Saint-Gobain and Caterpillar Inc. advertise their sponsorship on the websites. Additionally, Compagnie de Saint-Gobain explains its initiative to help disadvantaged people entering the workforce. Caterpillar Inc. and Hyundai Heavy Industries Co., Ltd. foster environmental protection. The former additionally cares for health and safety. The latter has a relatively broad definition of responsibility. Hyundai Heavy Industries Co., Ltd. wants to enrich the society.

Industrial companies and the PNC

Customer and employee wishes and market needs are centered. Consequently, the following culture links of the PNC are relevant to industrial companies: EXTERNAL COMMUNICATION CULTURE, INTERNAL COMMUNICATION CULTURE, PRODUCT CULTURE, INCENTIVE CULTURE, and WORK CULTURE. Innovation is crucial, but as shareholder's wishes have to be satisfied, COST CULTURE and GOVERNANCE CULTURE are equally important to INNOVATION CULTURE. Innovation was already mentioned in the literature review. Summing up, industrial companies focus on all eight culture links.

By providing innovative PRODUCTION and SERVICES, the companies foster their R&D activities. ACCOUNTING and EXECUTIVE MANAGEMENT are further important production links. Good teams are guaranteed by an excellent HRM.

The industrial companies try to be leaders. The COMPETITIVE AND COOPERATIVE RELATIONSHIP is important to them. The cooperative part is mainly based on research cooperations, as it was expected from literature. Furthermore, it is pointed to SUPPLIER RELATIONSHIP, also underlined by literature, and CUSTOMER

RELATIONSHIP. Additionally, SHAREHOLDER RELATIONSHIP and RESPONSIBILITY are important for industrial companies.

3.2.20 Mining: Rio Tinto Group and Vale S.A.

As most raw materials used in today's production are based on mining products, the following part will give a short overview on the world's largest mining companies (Runge, 1998). These are the Rio Tinto Group and Vale S.A.

Mining is hardly comparable to other industries, as Runge (1998) explained. The industry is subject to uncertainty, because mining companies suffer from environmental restrictions and political uncertainties. Information is expensive. Additionally, the historical importance of technical skills shrank. Shareholder value is today the most important aspect in mining (Runge, 1998).

In the foregoing analyses, innovation was of great relevance. Klippel, Petter, and Antunes Jr. (2008) pointed to the fact that innovation cannot take place in the industrial activity itself, because raw material is a natural resource. In contrast, innovation is dependent on technological advances, great alterations in product uses, changes in technology of production, or management adaption. How important innovation is for today's mining companies will be of interest in the following analyses. Additionally, a special focus lies on responsibility. Kapelus (2002) elucidated the increasing importance of social responsibility for mining companies. Global responsibility strategies are integrated in the companies' goals. An intensive relationship with local communities is aimed at. These strategies give answers to critics and pressures a mining company often is affected with.

Rio Tinto Group

The Rio Tinto Group is ranked 140th of the Fortune Global 500 list (2010: 173th) (Fortune Global 500 RIO, 2011). It sees itself as a leading global business in the field of metal and mineral production. Five product groups are offered, namely aluminum, copper, diamonds and minerals, energy, as well as iron ore. The company is headquartered in the United Kingdom and Australia. Its roots go back to both, a Spanish company which was established in 1873, and to an Australian company from 1905 (Rio Tinto 2010 Annual Report, 2010).

Vale S.A.

In 2011, the Brazilian company Vale S.A. is the 186th largest company in the world, having grown from rank 363 (Fortune Global 500 VALE, 2011). Five lines of businesses are defined. These are bulk materials, base metals, and fertilizer nutrients. Moreover, logistics services and other products and services are offered by Vale S.A. The company aims at exploring minerals in the whole world (Vale, A Year of Extraordinary Performance, Annual Report 2010, 2010). The Brazilian government founded Vale S.A. in 1942. It was privatized in 1997. 129

Employees and financial data

Rio Tinto Group's number of employees shrank over the three analyzed years. Whereas the company had more than 105,000 people working for it in 2008, in 2009 nearly four percent less people were employed by the company. In 2010, 24.6 percent less employees were documented.

At Vale S.A., differing information on number of employees could be found. Within the company's data, no information on the years 2008 and 2009 was available. According to the Fortune Global 500 list, in 2008 62,490 people worked for Vale S.A., whereas the number decreased in 2009 by four percent. In 2010, according to the company information, 126,000 directly employed and 50,000 project workers were part of the company. In contrast to that, the company reported 70,785 employees to the Fortune survey which implies an increase of 17.9 percent in 2010.

According to the available information, the mining companies had losses in 2009 compared to 2008. In fact, Rio Tinto Group's sales revenue decreased by 22.9 percent in 2009. Vale S.A.'s net operating revenue was 37.7 percent below the foregoing years'. In 2010, both companies' financial data re-increased. Rio Tinto Group had over 35 percent more sales revenue in 2010. In the same period, Vale S.A.'s net operating revenues increased by 94.3 percent.

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See http://www.vale.com/en-us/conheca-a-vale/nossa-trajetoria/pages/default.aspx (2010), 08/18/2012.

Strategy analyses

Rio Tinto Group and Vale S.A. clearly define their goals. They want to be sector-leading and global competitive. Growth is centered. To be more precise, Rio Tinto Group is interested in organic growth, mainly with the help of mergers and acquisitions. Cost competitiveness combined with quality makes the company increasing its influence. Technology and innovation are important aspects. Additionally, the human side is focused in the four core values. These are respect, teamwork, and integrity, combined with accountability.

Vale S.A. sets on investments to enhance competitiveness and to develop globally. Diversification and improved logistics help to improve and to grow. As its counterpart, Vale S.A. calls for disciplined capital management and adds the aim to maximize the shareholders' money. In its values, Vale S.A. further highlights the stakeholders. The company wants to do what is right and to improve together by valuing the workforce and the planet. Vale S.A. defines life to matter most and to make it happen.

Cooperations

In the field of mining, joint-ventures are the most often found kind of cooperation. Vale S.A. focuses on future opportunities to make strategic acquisitions. In addition to that, Rio Tinto Group points to collaborative partnerships with universities and equipment producers. Consequently, research cooperations exist. Besides, customers are handled as long-term partners and are thus in vertical relation to the Group.

Responsibility

Rio Tinto Group and Vale S.A. both define their responsibility projects on their website. This fact confirms the above mentioned theory that responsibility becomes increasingly important for mining companies. Rio Tinto Group aims at finding answers to economic, social, political, environmental, and governance challenges. Vale S.A.'s definition is similar to the before-mentioned: Economic, social and environmental issues are integrated and managed with responsibility. Additionally, the company tries to produce local, regional, as well as global prosperity.

Mining and the PNC

Summing up the results, one can say that the following parts of the PNC are explicitly pointed to: Research and development is less important than in other industries. This fact does not minimize the importance of INNOVATION CULTURE in the mining business, as already mentioned in the literature review. Mining companies combine innovativeness with minimizing costs. GOVERNANCE CULTURE and COST CULTURE are of high importance. Furthermore, INCENTIVE CULTURE, WORK CULTURE, and INTERNAL COMMUNICATION CULTURE should be emphasized. Of the production links, PRODUCTION, JOINT-PRODUCTION ASSEMBLY, ACCOUNTING, and EXECUTIVE MANAGEMENT are highlighted in the available information.

ACQUISITIONS are made and RESPONSIBILITY is fostered. The latter aspect mainly centers social and environmental projects and was already mentioned in literature. CUSTOMER RELATIONSHIP is further cultivated. In addition to that, SHAREHOLDER RELATIONSHIP is an essential aspect and was already concluded in the literature review. COMPETITIVE AND COOPERATIVE RELATIONSHIPS exist.

3.2.21 Automobile: Toyota Motor Corporation, Volkswagen AG, and General Motors Company

Eriksen (1990) elucidated the importance of the automobile market as an indicator for economic situation. The following part will give a short overview on Toyota Motor Corporation, Volkswagen AG, and General Motors Company.

The saturation of the automobile market began in the 1990s (Eriksen, 1990; Wallentowitz, Freialdenhoven, & Olschewski, 2009). At that time, it was already common to compete on prices and quality in the automobile industry (Dichtl, & Peter, 1996). Cost pressures can be experienced as customers decide on the one side on image, but on the other side on prices (Mengen, & Tacke, 1996). Dyer (1996) found out that Toyota Motor Corporation's cars had the fewest defects; quality was best compared to Nissan, Ford Motor Company, General Motors Company, and Chrysler Group LLC. Toyota Motor Corporation was seen as being elitist in the beginning 1990s (Berggren, & Björkman, 1992). Today, Toyota Motor Corporation is still the largest automobile company in the world, to be further elucidated in the following.

In fact, cost and quality still seem to be important for the customers. The customer's wishes of high-quality, low-cost cars led companies to become more globally active. Wallentowitz, Freialdenhoven, and Olschewski (2009) highlighted that the automobile industry is one of the most globalized industries. Historically, the automobile industry was one of the first to internationalize. Exporting plants to North America was started in the early 1980s by Japanese companies. After the beginning of selling whole cars in the 1960s, Japanese companies were the first to produce their cars abroad. Especially the German automobile companies tried to follow the Japanese idol since the mid-1980s. In Germany, the automobile industry is one of the key industries and has a long tradition. The German Volkswagen AG can be named as one of the most influential multinational company since the 1990s (Berggren, & Björkman, 1992; Jürgens, 1992; Fieten, & Schmidt, 1994; Kawahara, 1997), to be further analyzed in the following.

Chandler (1964) explained the automobile industry to be an example of oligopoly or monopolistic competition. Being a complex product, cars are set together by a number of components that jointly build a system. This fact requires coordination and mutual adjustment. In the USA and Japan, for example, only some major producers focus on these products. As suppliers and producers are reciprocally interdependent, a number of cooperations exist. The companies influence each other (Jürgens, 1992; Dyer, 1996; Nolan, & Zhang, 2002).

The trend of oligopolistic competition is still existent in the globalized word. Besides on national markets with only some acting companies, companies become increasingly global players, as explained above. The market is global with only some influencing players. Especially global brands gain market share, as Barnes and Kaplinsky (2000) showed in their study. They analyzed the automobile components sector in South Africa and came to the conclusion that from 1993 to 2003, a decrease of local firms producing with local or foreign technology was detected. Sourcing from joint-ventures increases in importance; wholly-owned subsidiaries are preferred. Global brands gain market shares (Barnes, & Kaplinsky, 2000).

The US-American General Motors Company is, besides Toyota Motor Corporation and Volkswagen AG, the third company in this analysis. General Motors Company developed its world car strategy in the 1970s and was present in Western Europe and

North America since that time. The US-American automobile industry was overrun by the Japanese' in the 1980s (Jürgens, 1992; Kawahara, 1997).

Toyota Motor Corporation

Japan's largest company, Toyota Motor Corporation, is the 8th largest global player in the world in 2011. A year ago, it ranked 5th (Fortune Global 500 TM, 2011; Fortune Global 500 Japan, 2011). After inventions since 1924 by Sakichi Toyoda, Toyota Motor Corporation was founded in 1937. ¹³⁰ In 1957, the first car was exported. Since that time, the company sets on consistent globalization and localization, meaning supporting self-reliant subsidies outside Japan. ¹³¹ Toyota Motor Corporation is set together by 15 companies. ¹³² Further business sections of Toyota Motor Corporation are financial services, housing, marine, afforestation, and biotechnology. ¹³³ Toyota Motor Corporation's formula for being and staying an innovative and influential company is abundantly discussed in literature (see e.g. May, 2007).

Volkswagen AG

The German Volkswagen AG increased three ranks and is the 13th biggest company, according to the Fortune Global 500 list (Fortune Global 500 VW, 2011). Overall, nine automobile brands are distributed. An additional business unit is Volkswagen Financial Services (Volkswagen Aktiengesellschaft Annual Report 2010, 2010). The Volkswagenwerk GmbH was registered in 1938. ¹³⁴ In Western Europe, more than 21 percent of the cars are made by Volkswagen AG (Volkswagen Geschäftsbericht 2010, 2010).

General Motors Company

Ford Motor Company's dominant position in the US market until the 1920s was followed by General Motors Company's presence in the 1930s (Chandler, 1964).

¹³⁰ See http://www.toyota-global.com/company/history_of_toyota/?print=1 (n.d.), 11/24/2011.

See http://www.toyota-global.com/company/vision_philosophy/globalizing_and_localizing_manufacturing/ (1995-2012), 24/11/2011.

¹³² See http://www.toyota-global.com/company/profile/toyota_group/ (1995-2012), 24/11/2011.

See http://www.toyota-global.com/company/profile/non_automotive_business/ (1995-2012), 11/24/2011.

¹³⁴ See http://www.chronik.volkswagenag.com/ (n.d.), 02/13/2012.

After its bankruptcy in 2009, today, General Motors Company is the largest US American automobile group and the 8th biggest company in the US (Fortune Global 500 GM, 2011). The company's history goes back to 1904. It was founded in 1908 by William Durant, whereas some parts of the group are even older, as e.g. Opel. With more than 200,000 employees, the company ranks 20th (previously 38th) on the Fortune Global 500 list (Fortune Global 500 GM, 2011). A new vision and business model were introduced for making business more. As at its counterparts, innovation is a crucial part of General Motors Company and can already be summarized as an important aspect for automobile companies. Is

Employees and financial data

Volkswagen AG re-increased the number of employees in 2010. Whereas Toyota Motor Corporation's workforce stayed relatively stable, Volkswagen AG held its employees in 2009 and extended them by eight percent in 2010. General Motors Company, on the contrary, had about eleven percent less employees in 2009 and seven percent less in 2010.

With a decrease of 30 percent in worldwide net sales and revenues, General Motors Company is one of the companies with the largest decline in financial data. In 2010, General Motors Company denoted the highest increase in the automobile market, namely 29.6 percent. This rise is one of the largest a US-American company included in the analyses experienced.

Toyota Motor Corporation as well as Volkswagen AG had a decrease of about eight percent in 2009. In 2010, the largest automaker had relatively stable sales. Volkswagen AG's sales revenue increased by 20.6 percent.

Overall, decreases in financial data in 2009 and re-increases in 2010 can be summarized. All companies had shrinking employees. The only exception is Volkswagen AG's workforce in 2010.

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¹³⁵ See http://www.gm.com/company/historyAndHeritage/rebirth.html (2011), 11/25/2011.

¹³⁶ See http://www.volkswagenag.com/content/vwcorp/content/en/the_group/history.html (n.d.), 01/05/2012

¹³⁷ See http://www.gm.com/company/historyAndHeritage/creation.html (2011), 11/25/2011.

Strategy analyses

The three car producers want to fascinate their customers. Toyota Motor Corporation wants to exceed the expectations and be rewarded with a smile. High quality, safety, and just-in-time production are Toyota Motor Corporation's strategic way to be the leader to the future. Besides quality, innovation and responsibility are of importance. The workforce meets challenges.

Volkswagen AG wants to become the economical and ecological leader by 2018. The company consequently fixes its responsibility aim in the mission. Volkswagen AG further explains its aim to become the most fascinating and successful carproducer by 2018. At Toyota Motor Corporation and Volkswagen AG, safe and attractive products set world standards.

General Motors Company wants to design, build, and sell the world's best vehicles. The company restructured the business model: Reducing the brands and becoming more innovative and efficient was the company's aim. This guarantees General Motors Company to maximize sales and to sell globally. The cost structure is competitive.

Cooperations

Toyota Motor Corporation does not point to cooperative partners. In contrast to that, Volkswagen AG as well as General Motors Company name their partnerships in the available data. Both companies have cooperations with vertical and horizontal automobile companies. Volkswagen AG, to be more precise, has e.g. joint-ventures with Chinese companies. These findings support the literature statements analyzed above.

Responsibility

With respect to responsibility, the three companies define their responsibility aims in a relatively broad way. Toyota Motor Corporation calls it harmony seeking between people, society, and environment while manufacturing should develop the society. Volkswagen AG also supports environment and society and wants to be responsible

with respect to employees and customers. General Motors Company more generally states to foster responsibility.

Automobile and the PNC

All three companies center innovation in their strategy. The INNOVATION CULTURE is further underlined in literature. Toyota Motor Corporation and Volkswagen AG add safety and quality. R&D (production link) as well as PRODUCT CULTURE of the PNC should consequently be named here. Efficiency asks for GOVERNANCE CULTURE. EXTERNAL and INTERNAL COMMUNICATION CULTURE, WORK CULTURE, and INCENTIVE CULTURE have to be optimized.

General Motors Company additionally emphasizes an efficient cost structure. The company thus points to COST CULTURE and ACCOUNTING of the PNC. The importance of prices and quality was already pointed to in the literature review. Moreover, SERVICE has to be focused on, as well as HRM, PRODUCTION, and JOINT-PRODUCTION ASSEMBLY. EXECUTIVE MANAGEMENT takes place, as confirmed by literature.

Cooperations are made horizontally and vertically. This supports SUPPLIER RELATIONSHIPS, cooperations with SELLING PARTNERS, and a COMPETITIVE AND COOPERATIVE RELATIONSHIP. MARKETING AND MARKET COMMUNICATION takes place to inform customers. The aspect of eco-friendly products is also explicitly underlined. RESPONSIBILITY focuses on social and environmental needs.

3.3 Concluding remarks of the analyses

The short introductions to the companies show that the majority of the companies have their roots in the 19th century. Some exceptions can be figured out. The younger companies are mainly located in the Asian countries. What can be summarized for all companies is that besides the initial intend, a steady entrepreneurial intention should be present for successfully leading a company. We thus put "entrepreneurial intention" inside our Power Network Concept.

Furthermore, it can be concluded that all companies center the recoveries after global problems in 2008/2009. Chinese companies seem to have somehow taken advantage of the global financial crisis. Whereas in 2009, only 37 companies were included in the Fortune Global 500 list (Fortune Global 500 China, 2009), the number increased to 46 companies in 2010 (Fortune Global 500 China, 2010). In 2010, it were 61 companies which symbolizes an increase of more than 30 percent (Fortune Global 500 China, 2011). The initial research question of whether Asian companies are equally competitive as Western companies can thus be confirmed.

Besides, the strategies of the above analyzed companies, no matter where they are located, are similar. The analyses confirm the PNC aspects that were identified by the systematic literature review. The analyses further added the following aspects: WORK CULTURE, INCENTIVE CULTURE, and EXTERNAL COMMUNICATION CULTURE for the culture aspects, ACCOUNTING, JOINT-PRODUCTION ASSEMBLY, and SALES for the production aspects, and SELLING POINTS and RESPONSIBILITY for the relationship frame. While some aspects are in general and in particular more highlighted than others, with its 24 aspects, the PNC fits to all industries.

3.4 Data analysis

We contacted the public relations officers of all 65 companies that we analyzed and asked them to evaluate our interpretation in the respective firm-specific questionnaire. Each individual questionnaire contained 24 questions. Exemplifying our data analysis, Table 3.3 shows the contacted companies and the respective response.

Table C.1 in Appendix C summarizes the results for five globally active enterprises: EADS Group, BASF SE, Deutsche Post DHL, AT&T Inc., and Deutsche Telekom AG. In the questionnaires, we provided a six-point Likert-scale with the following options: (1) strongly disagree, (2) disagree, (3) mildly disagree, (4) mildly agree, (5) agree, and (6) strongly agree. Besides the Likert-scale, the participants could use an open space for alternative formulation of outcomes. To give a full overview of the

analysis, Table C.3 in Appendix C summarizes all interpretations per aspect for each of the 65 companies.

For seven of the 65 companies no valid contact details were available, marked as "no contact detail" in Table 3.3¹³⁹. To give a better overview, Table 3.3 is organized in alphabetical order regarding the industries. Of the remaining 58 companies, 10 refused to participate in the study due to company's restrictions regarding external studies, noted in Table 3.3 as "company restrictions". Finally, we received the answers of 16 companies of which we could use 11 for interpretation (see "complete questionnaire" in Table 3.3)¹⁴⁰. We had to exclude five questionnaires due to the following reasons: AXA Group's representative stopped completing the questionnaire after question 18. The representatives of the four companies General Motors Company, ING Group, General Electric Company, and SoftBank Corporation clicked through the questionnaire without filling in any information. We marked these five companies with "incomplete questionnaire" in Table 3.3. The rest is marked with "no response" in Table 3.3.

Table 3.3: Contacted enterprises and response rate.

Industry	Enterprise	Response
Aircraft:	Aviation Industry Corp. of China (China)	No response
	The Boeing Company (USA)	No response
	EADS Group (Netherlands)	[complete questionnaire]
Automobile:	General Motors Company (USA)	[incomplete questionnaire]
	Toyota Motor Corporation (Japan)	[complete questionnaire]
	Volkswagen AG (Germany)	[company restrictions]
Banks:	Bank of America Corp. (USA)	No response
	Industrial and Commercial Bank of China	
	Limited (China)	No response
	ING Group (Netherlands)	[incomplete questionnaire]

¹³⁹ These seven companies were all Asian-based: The three Chinese companies Sinopec Group, China Life Insurance Company Limited, as well as China Railway Group Limited, and four Japanese companies, namely Suzuken Co., Ltd, Japan Post Group, Maruhan Corporation, as well as 7 & i Holdings Co., Ltd.

¹⁴⁰ Please note that in the remaining eleven questionnaires, all in all six answers were missing. We excluded these questionnaires in the single answers, meaning that e.g. for cost culture only ten questionnaires were included into the binomial analysis.

Industry	Enterprise	Response
Chemical products:	BASF SE (Germany)	[complete questionnaire]
Caronical production	Dow Chemical Company (USA)	[company restrictions]
	Sinochem International (Holding) Co., Ltd.	
	(China)	No response
Consumer goods:	Johnson & Johnson (USA)	[company restrictions]
	The Procter & Gamble Company (USA)	[company restrictions]
	Unilever (Netherlands/Great Britain)	No response
Electrics:	Robert Bosch GmbH (Germany)	[complete questionnaire]
	General Electric Company (USA)	[incomplete questionnaire]
	Samsung Electronics (South Korea)	[company restrictions]
Energy:	E.ON AG (Germany)	No response
	Petrobras (Brazil)	No response
	Suncor Energy Inc. (Canada)	No response
Food and Nutrition:	COFCO (China)	No response
	Kraft Foods Inc. (USA)	[company restrictions]
	Nestlé S.A. (Switzerland)	[company restrictions]
Gas and Oil:	ExxonMobil Corporation (USA)	No response
	Royal Dutch Shell Group (Netherlands)	[company restrictions]
	Sinopec Group (China)	[no contact detail]
Industrial companies:	Caterpillar Inc. (USA)	No response
	Hyundai Heavy Industries Co., Ltd. (South	
	Korea)	No response
	Compagnie de Saint-Gobain (France)	No response
Insurances:	American International Group, Inc. (USA)	No response
	AXA Group (France)	[incomplete questionnaire]
	China Life Insurance Company Limited	
	(China)	[no contact detail]
IT and Electronics:	Hewlett-Packard Company (USA)	No response
	Panasonic Corporation (Japan)	No response
	Siemens AG (Germany)	No response
Media:	SoftBank Corporation (Japan)	[incomplete questionnaire]
	Vivendi SA (France)	No response
	The Walt Disney Company (USA)	No response
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Industry	Enterprise	Response
Mining:	Rio Tinto Group (Great Britain/Australia)	No response
	Vale S.A. (Brazil)	[complete questionnaire]
Pharmaceutics:	Cardinal Health, Inc. (USA)	No response
	Novartis AG (Switzerland)	[complete questionnaire]
	Suzuken Co., Ltd. (Japan)	[no contact detail]
Post:	Deutsche Post DHL (Germany)	[complete questionnaire]
	Japan Post Group (Japan)	[no contact detail]
	United States Postal Service (USA)	No response
Services in general:	Google Inc. (USA)	[complete questionnaire]
	Ingram Micro Inc. (USA)	No response
	Maruhan Corporation (Japan)]	[no contact detail]
	Sodexo (France)	No response
	Veolia Environnement (France)	No response
Supermarkets and	Carrefour S.A. (France)	No response
Retailers:	Wal-Mart Stores Inc. (USA)	No response
	7 & i Holdings Co., Ltd. (Japan)	[no contact detail]
Telecommunication:	AT&T Inc. (USA)	[complete questionnaire]
	Deutsche Telekom AG (Germany)	[complete questionnaire]
	Nippon Telegraph & Telephone Corporation	
	(Japan)	[complete questionnaire]
Tobacco:	British American Tobacco PLC (Great	No response
	Britain/USA)	No response
	Imperial Tobacco Group PLC (Great Britain)	
	Japan Tobacco Inc. (Japan)	[company restrictions]
Transport and Travel:	American Airlines, Inc. (USA)	No response
	China Railway Group Limited (China)	[no contact detail]
	Deutsche Bahn AG (Germany)	No response
	Deutsche Lufthansa AG (Germany)	[company restrictions]

We included questionnaires of five service companies of the following categories: Service in general, Insurances, Post and Delivery, as well as Telecommunication twice. Besides, we got complete questionnaires by six production companies acting

in the field of Aircraft, Electrics, Chemical Products, Pharmaceutics, Mining, and Automobile. In the following analysis, we will not differentiate between the service and production companies. As we explained above, the categorization is only meant to help to structure the work.

We present a new method for translating corporate websites to strategy aspects. In a first step, we used the information of the corporate websites to derive qualitative parameter values (generally short statements) for each of the 24 aspects of the PNC. In a second step, we asked representatives of the enterprises to evaluate our parameter value interpretations one by one. This results in 24 consistency checks per questionnaire. We define the corporate communication consistency (CCC) as follows.

$$CCC = \frac{\sum consistent \ aspects}{\sum (consistent + inconsistent \ aspects)}$$

with the mean consistency of

mean CCC =
$$\sum_{i}^{n} \frac{ccc_{i}}{n}$$

with i = corporation and n = sample size corporation. The sums in the CCC run from 1 to 24 with the value of the variable consistent aspect being either 1, if the enterprise's representative agrees with our interpretation of that aspect and 0, if the enterprise's representative disagrees with our interpretation of that aspect.

Table 3.4 summarizes the CCCs for the eleven complete questionnaires. It further shows the consistent and inconsistent aspects in detail.

Table 3.4: The CCC analysis.

	CCC	consistent aspects	inconsistent aspects	no answer
CCC_{EADS}	0.91	19	2	3
CCC_{TM}	1.00	24	0	0
CCC_{BFFAF}	0.88	21	3	0
CCC_{BOS}	1.00	23	0	1
CCC_{VALE}	0.71	17	7	0
CCC_{NVS}	0.92	22	2	0
CCC_{DPD}	1.00	24	0	0
CCC_{GOOG}	0.87	20	1	3
CCC_T	1.00	23	0	1
CCC_{DT}	1.00	23	0	1
CCC_{NTT}	0.96	21	1	2

Please note that the abbreviations can be found in Table 3.1.

The column "no answer" refers to missing answers or alternative formulations that could not be interpreted clearly. Note that the missing aspects are not contained in the calculation of the CCC for the respective company. The values are distributed between 0.71 for Vale S.A. and 1.00 for five companies for 11 independent trials (n = 11 questionnaires). Separating consistent and inconsistent evaluations at 0.05, we have 11 out of 11 consistent evaluations which results in an overall significant result using the binomial test (p = 0.5). Even if we assume consistency only for levels above 90 percent, we still have 8 of 11 consistent cases which is significant at a level of 10 percent using a binomial test.

In a third step, we conduct a binomial test to evaluate the 24 strategy aspects in detail. Figure 3.1 shows more precisely the outcomes of our analysis by aspect.

In fact, our interpretation of the eight culture aspects was confirmed by the majority of the eleven companies, which clearly underlines the importance of these aspects for the Power Network Concept. Only three exceptions exist: One company disagrees with our interpretation on WORK CULTURE, one on GOVERNANCE CULTURE, and one on COST CULTURE 141 . A binomial test approves our results to be very significant for all eight culture aspects (probability = 0.5, one-tailed). The p-values are at p = 0.001 for WORK CULTURE, GOVERNANCE CULTURE, and COST CULTURE, and p = 0 for the remaining five aspects of the inner circle.

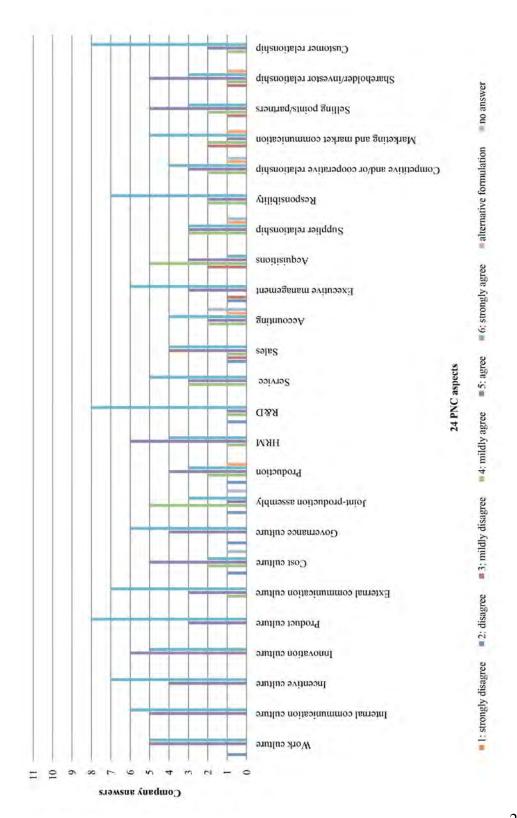
Regarding the aspects of the action circle, we find similar results to those of the inner circle, again approved by a binomial test as being significant and very significant for all eight aspects (probability = 0.5, one-tailed). All eleven company representatives agree 100 percent with our interpretation of HRM, SERVICE, and ACCOUNTING (p-values of p = 0). For the latter, two answers were missing and one alternative formulation exists. We thus included eight questionnaires to the binomial test, instead of 11. In fact, Google's representative noted "What are accepted principles?" at ACCOUNTING. For five action circle aspects, namely PRODUCTION, JOINT-PRODUCTION ASSEMBLY, R&D, SALES, and EXECUTIVE MANAGEMENT one of eleven company representatives disagrees with our interpretation. Consequently, JOINT-PRODUCTION ASSEMBLY ¹⁴² as well as R&D have a p-value of p = 0.001 each. Besides the disagreement, an additional alternative formulation exists for PRODUCTION (p-value of p = 0.001, ten questionnaires included). Google's representative noted "What do you mean by classical sense?" at PRODUCTION. At SALES and EXECUTIVE MANAGEMENT, additionally to the disagreement, one company mildly disagrees, leading to p-values of p = 0.006. What can be summed up for the action circle is that Google was the company with the least agreement on our interpretation. We therefore hint to Carr (2007) who states that Google is difficult to be interpreted.

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¹⁴¹ Please note that as one of the eleven questionnaires did not answer the question on COST CULTURE, the binomial test on this item includes only 10 questionnaires.

¹⁴² Please note that as one of the eleven questionnaires did not answer the question on JOINT-PRODUCTION ASSEMBLY, the binomial test on this item includes only 10 questionnaires.

Figure 3.1: Company answers for the individual PNC questionnaires.



The eleven companies totally agree with our interpretation in two of eight relationship aspects. These are RESPONSIBILITY and CUSTOMER RELATIONSHIP, resulting in p-values of p = 0 regarding the binomial test (probability = 0.5, one-tailed). All in all, the participants mildly disagree six times regarding our interpretations: To be more precise, they mildly disagree twice at ACQUISITIONS (p-value of p = 0.006) as well as at Marketing and Market communication (p-value of 0.011), and once at SELLING POINTS/PARTNERSHIPS (p-value of p = 0.001), and at SHAREHOLDER/INVESTOR RELATIONSHIP (p-value of p = 0.001). The latter further has one alternative formulation and we only used ten questionnaires for the binomial test; Bosch's representative noted "n/a" at SHAREHOLDER/INVESTOR RELATIONSHIP. The second of four alternative formulation of the relationship aspects exists for MARKETING AND MARKET COMMUNICATION; EADS Group's representative noted "statement not comprehensible". We thus used ten questionnaires for the binomial test. We further find two alternative formulations, namely one for SUPPLIER RELATIONSHIP 143 and one for COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP 144. Two answers are missing on the eight relationship items, namely for the two before-mentioned aspects, SUPPLIER RELATIONSHIP and one at COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP, resulting in nine of nine agreements on these two items (p-values of p = 0 each). All results are again very significant for all eight aspects.

Summing up the results of the first empirical analysis, we can conclude that the companies confirm the majority of our statements. Our aim to extend the analysis to external experts, as e.g. consultants and journalists, was less successful than the company analysis: We contacted 81 media companies (newspapers, TV, etc.) and freelancers in Germany and Europe as well as three large, global consultant companies and asked them to answer one or several of the eleven questionnaires of the first analysis, depending on the expert's knowledge upon the companies. We received all in all five complete questionnaires, namely for EADS Group, BASF SE, Deutsche Post DHL, AT&T Inc., and Deutsche Telekom AG. The first two

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¹⁴³ To be more precise, AT&T Inc.'s representative noted "Not sure I understand teh [the *sic*] question!!" at SUPPLIER RELATIONSHIP.

question!!" at SUPPLIER RELATIONSHIP.

144 To be more precise, EADS Group's representative noted "Airbus is worl[d, *sic*]wide leader" at COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP. In our CCC example, we used this alternative formulation as a consistent aspect.

questionnaires were completed without alternative formulation. Table C.2 in Appendix C shows the outcomes and compares it pairwise to the company's questionnaires.

In regards to the expert questionnaires, we only conducted a CEC analysis. The binomial test was excluded due to the fact that only five complete questionnaires existed. The corporate expert consistency (CEC) is defined as follows.

$$CEC = \frac{\sum consistent \ aspects}{\sum (consistent + inconsistent \ aspects)}$$

with the mean consistency of

mean CEC =
$$\sum_{j}^{m} \frac{CEC_{j}}{m}$$

with j = interview experts and m = sample size experts.

This results in the single corporate consistency (SCC) of

$$SCC = \frac{n*mean \ ccc+m*mean \ cec}{n+m}$$

and the total consistency (TC) of

$$TC = \sum_{k=1}^{l} \frac{scc_k}{l}$$

with k = corporation and l = sample size. The sums in the CEC run from 1 to 24 with the value of the variable consistent aspect being either 1, if the enterprise's representative agrees with our interpretation of that aspect and 0, if the enterprise's representative disagrees with our interpretation of that aspect.

Table 3.5 shows the CEC analysis for five questionnaires (n = 5 independent trials). The values are distributed between 0.80 for Deutsche Telekom AG and 1.00 for BASF SE and Deutsche Post DHL for 5 independent trials (n = 5 questionnaires).

Table 3.5: The CEC analysis.

	CEC	consistent aspects	inconsistent aspects	no answer
CEC _{EADS}	0.92	22	2	0
CEC_{BFFAF}	1.00	16	0	8
CEC_{DPD}	1.00	11	0	13
CEC_T	0.92	22	2	-
CEC_{DT}	0.80	12	3	9

As Table C.2 in Appendix C visualizes, the answers of the company representatives and the experts are similar, especially for the EADS Group questionnaire. The two exceptions are once at the aspect COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP of the relationship link where the expert strongly agreed and the company representative marked "Airbus is worl[d, sic]wide leader". We see this alternative formulation as a confirmation of our interpretation. The second exception can be found at MARKETING AND MARKET COMMUNICATION: The expert agreed with our interpretation whereas the company representative used the alternative formulation possibility to state "statement not comprehensible". It is not clear whether this incomprehension is caused by language problems, missing information, or any other reasons. An interpretation is thus not possible.

Some experts were not able to answer all questions and marked it with "no information available". The BASF SE expert noted seven times "no information available"¹⁴⁵. Five times the company representative at least mildly agreed on our interpretation. We will thus only hint to PRODUCTION and SALES: For these aspects, the company representative stated that he or she disagreed and mildly disagreed. The BASF SE expert asked "What is the question?" for the relationship link ACQUISITIONS. As the company representative also mildly agrees on that question, we come to the conclusion that the BASF SE question on ACQUISITIONS was

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 $^{^{145}}$ Namely for WORK CULTURE, INTERNAL COMMUNICATION CULTURE, INCENTIVE CULTURE, PRODUCTION, HRM, SERVICE, and SALES.

ambiguously interpreted, as were the ones of PRODUCTION and SALES. However, as the expert did not disagree upon the three aspects, we only see an interpretation problem of our formulation and not a general disagreement of the aspects. For the remaining sixteen aspects, the BASF SE company representative's as well as the BASF SE expert's answers were similar to each other.

The Deutsche Post DHL expert ten times noted "no information available," ¹⁴⁶ once "What does the statement / Question mean?" (WORK CULTURE), and once "Whose sales? The customers or their own sales?" (SALES). One answer was missing for COST CULTURE. In all these thirteen cases, the company representative mildly agreed, agreed, or strongly agreed. On the remaining eleven questions, namely one culture link (INTERNAL COMMUNICATION CULTURE), five production links and five relationship links, the answers were similar to each other and all agreed upon our interpretation. The results confirm our interpretation for Deutsche Post DHL.

For the AT&T Inc. questionnaire, company representative and the expert confirmed all our interpretations. Only three exceptions exist for the relationship links: At SUPPLIER RELATIONSHIP, the expert agreed with our interpretation whereas the company representative used the alternative formulation possibility to note "Not sure I understand teh [the, *sic*] question!!" We cannot interpret adequately whether this incomprehension is caused by language problems, missing information, or any other reasons. At COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP as well as at SHAREHOLDER/INVESTOR RELATIONSHIP (CORPORATE REPORTING), the expert mildly disagreed on our interpretation, whereas the company representative strongly agreed. We thus summarize a general acceptance of our interpretation.

The Deutsche Telekom AG expert used five times the alternative formulation possibility to note "no information available," once "What kind of sales?," and once "Don't understand statement". In all seven cases the company representative agreed and strongly agreed on our interpretation. Twelve answers of both, the Deutsche Telekom AG company representative and the Deutsche Telekom AG expert, were similar to each other, all confirming our interpretation on the Deutsche Telekom

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Namely for incentive culture, innovation culture, product culture, external communication culture, governance culture, hrm, r&d, supplier relationship, responsibility, and marketing and market communication.

AG. One expert answer was missing, namely for EXTERNAL COMMUNICATION CULTURE; the company representative strongly agreed on our interpretation. Consequently, nineteen interpretations were confirmed. Differing answers were given for three culture links: Whereas the company representative agreed and strongly agreed on our interpretation on INTERNAL COMMUNICATION CULTURE ("Respect is top priority") and INCENTIVE CULTURE ("Valuing integrity"), the expert disagreed in both cases. At COST CULTURE ("Offering fairly priced products"), the expert mildly disagreed whereas the company representative agreed on our interpretation. As further information on the question why the answers differ are missing, we cannot interpret the three culture links adequately. For the production link ACCOUNTING, the company representative did not answer the question. It cannot be properly interpreted whether the person did not have the information to answer or just forgot to click one answer. The expert noted "What does that mean?". Again, we cannot properly interpret this aspect. For the Deutsche Telekom AG questionnaires too many information is missing to interpret all aspects. What we can conclude is that 19 of 24 questions were generally confirmed by one or both persons.

Summing up the results of the second analysis of the company representative's questionnaires and the experts' questionnaires on the five companies, we can conclude that our interpretations are accepted in the majority of aspects. The only exceptions are two production links, namely PRODUCTION and SALES, and one relationship link, namely ACQUISITIONS, of the BASF SE questionnaire. Looking at the first analysis and the second analysis, we can confirm the PNC model in general. Our further work will show whether the PNC is suited well to define the current strategies of globally active enterprises, as our first results indicate.

Chapter 4

4. PNC and strategy formulation

"The essence of strategy formulation is coping with competition." (Porter, 1979, p. 137)

Summarizing the works of their predecessors, Hrebeniak and Joyce (1984) came up with the following definition of strategy formulation: "Strategy formulation is a decision process focusing on the development of long-term objectives and the alignment of organizational capabilities and environmental contingencies so as to obtain them." (Hrebeniak, & Joyce, 1984, p. 29). In this chapter, we develop a procedure that will help corporations formulate a PNC strategy. We focus on the 24 aspects of the PNC and their possible specifications. The aim is to give enterprises the possibility to use the PNC to structure their strategy and to work on strategic objectives and plans. As Hrebeniak and Joyce (1984) illustrated, strategy formulation is the first active step in a strategy changing process. The authors emphasized that the quality of this process influences the organizational performance. Strategy formulation is a decision process and Table 4.1 gives an overview on the possible choices that we developed based on our company analyses.

The 24 aspects each include several specifications for the decision maker to choose. The different choices concern the degree to which an enterprise concentrates more on one specification or on the other. The specifications are not mutually exclusive, but can be partially realized. As an example, in the aspect RESPONSIBILITY, an enterprise may choose to be socially responsible to some degree (e.g. secure jobs), but also provide some environmental responsibility (e.g. reduce carbon emission). In the following, we discuss the aspects and the specifications in more detail, giving examples to manifest our ideas.

Table 4.1: Strategy formulation specifications.

The inner circle - Culture circle

VS.

COST CULTURE: profit margin-oriented customer-oriented prices

price differentiation standardized prizes

lowest cost possible higher cost if necessary to

sustain higher quality

WORK CULTURE: individuality collectivism

private life integration private life separation

INTERNAL COMMUNICATION broad cast targeted communication CULTURE: formal informal communication

culturally differentiated unified communication

GOVERNANCE CULTURE: financial goals social goals

profit goals growth goals diversification core business

team decision making hierarchical decision making

INNOVATION CULTURE: mainly innovation mainly imitation

products/services innovation process innovation

top-down bottom-up

PRODUCT CULTURE: longevity frequent re-purchases

customer orientation standardization

EXTERNAL COMMUNICATION rational communication emotional communication

CULTURE: branding diversity brand uniformity

INCENTIVE CULTURE: monetary incentives non-monetary incentives

immediate gratification long-term compensation plans

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The	autan	circle –	Action	ainala
- i ne	omer	circie –	ACHON	circie

ACCOUNTING: internal external

international local

PRODUCTION: producing in-house outsourcing production

vertical integration assembly

demand surfing production smoothing

JOINT-PRODUCTION local partnerships culturally diverse partnerships
ASSEMBLY: process integration delivery/stock coordination

EXECUTIVE MANAGEMENT: pioneer consolidator

networker visionary individualist

owner-managers hired managers

R&D: external internal

market leader in spending market last rank in spending

incentive competition team work

SERVICE: integrated external

market leader (quantity and market last rank

quality)

diversified service options unified service

SALES: local orientation global orientation

one sales channel all sales channels

individual mass

HRM: investing in trainings investing in recruitment

flexible working conditions structured working conditions in- team advancement hierarchical advancement

Relationship frame		
RESPONSIBILITY:	social cooperation with non-profit	environmental in-house
	organizations direct aid with products and/or services	financial aid
SUPPLIER RELATIONSHIP:	vertical cooperations many diversified suppliers long-term contracts	vertical integration few suppliers flexible contracts
SHAREHOLDER/INVESTOR RELATIONSHIP (CORPORATE REPORTING):	reinvesting profits detailed reporting	distributing profits targeted reporting
ACQUISITIONS:	selling own shares joint-ventures	buying other shares M&As
CUSTOMER RELATIONSHIP:	customer-oriented individual	society-oriented standardized
SELLING POINTS/PARTNERS:	vertical cooperations unique selling guidelines	own distribution individual consultancy
MARKETING AND MARKET COMMUNICATION:	market leader in marketing channels	last rank in marketing channels
	individual brands retailer communication	umbrella brand consumer communication
COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP:	1	seeking non-compatibility
	coopetition	seeking competitive advantage

We begin with the discussion of the internal aspects. Three specifications define the COST CULTURE. First, the decision maker can choose between cost leadership and quality leaderships inside the company. The enterprise can either try to cut costs to the lowest possible level, or may prefer to set quality standards that require higher costs to be sustained. This decision has a direct influence on prices that can be realized. Price standardization might be the simplest way to offer products and

services. On the contrary, differentiated prices and offers might be implemented, as e.g. special prices to wholesalers depending on the amount of sold items. The third specification faces the offered prices themselves. An enterprise can either be profit-margin oriented, or provide customer-oriented prices. This clearly depends on the customers and the market structure.

When it comes to WORK CULTURE, two possible specifications are thinkable: One can e.g. prefer collectivism to individuality, meaning that the company either relies more on teamwork, or on individual performers. Additionally, one specification contrasts private life integration and separation. At this point, an enterprise can choose whether it offers e.g. leisure activities and family events for the employees, or whether it prefers to separate private and work life. This aspect e.g. comprises involvement and work-life-balance.

The INTERNAL COMMUNICATION CULTURE includes three specifications. One is to differentiate between broad cast and targeted communication which implies the question who is informed about what and how open the communication takes place in the enterprise. It might be important to inform all employees about decisions whereas a too detailed communication might lead to an information overload. Besides, the question concerns the formality of the communication. The communication might be more formal or informal. If an enterprise operates in different countries and employs different cultures, it is useful to think about differences in communication. A culturally differentiated communication might be a more individual way to cope with communication problems whereas a unified communication model might be easier for global companies to find a unifying way of communicating.

The PNC aspect GOVERNANCE CULTURE embodies four specifications. One is the option of either focusing more on financial goals or on social goals. Adding to this, the option on profit goals and growth goals is obvious, meaning that an enterprise can either pay dividends to shareholders, or reinvest it to grow. This specification clearly shows a difference to strategies of non-private companies as they might not pay dividends at all. The third specification on GOVERNANCE CULTURE is the way the enterprise acts on the market. The enterprise can either diversify by concentrating on several businesses, products or services, or it can decide to only focus on its core

4. PNC and strategy formulation

business. The final choice on this aspect is on decision making, namely whether decision making takes place in a team, or hierarchically. Team decisions may lead to a more democratic communication in the enterprise, but might also need more time to come to an end.

When it comes to INNOVATION CULTURE, the decision maker has three specifications to think about. First, the enterprise can either mainly innovate or mainly imitate. This clearly depends on the customers' values and on the R&D spending. Imitating might be less costly than in-house innovation. The second specification shows that innovation can be either followed in product/services innovation or as process innovation. Besides, it can either take place top-down or bottom-up. This implies that employees could be integrated in the innovation process and incentivized to provide innovative solutions. Alternatively, innovation comes from the management and is only asked to be implemented.

The PRODUCT CULTURE aspect includes two specifications about the product itself. One specification is longevity vs. frequent re-purchases. At this aspect, it is useful to emphasize the relativity to the market not to lose oneself in cross-market differentiations of e.g. consumer goods and consumer items. Producing long-lasting products might be more costly but could have a direct influence on customer satisfaction as it might imply a good product quality. The second possibility to vote is between customer orientation and standardization. This decision depends on the customers' values and specifies whether a product or service is customer-tailored or made for a larger market.

The EXTERNAL COMMUNICATION CULTURE aspect gives two specifications to decide on: First, the decision maker should evaluate whether the external communication takes place in a rational or emotional way. It highly depends on the product or service which type of communication is the most efficient one. Second, one has to think about branding diversity vs. 'single' brand. To be more precise, the enterprise can focus only one brand (brand uniformity) or several brands to present itself and its products and services on one or several markets. This clearly implies that the company has several brands that it can market.

INCENTIVE CULTURE summarizes two specifications. These are the kind of incentives, namely monetary incentives vs. non-monetary incentives, and the time horizon of the incentives, namely immediate gratification vs. long-term compensation plans. Both specifications depend on what the employees value most and can be dependent on cultural background. Most enterprises might try to mix the incentives to maximize the motivation. However, a decision upon which of the possibilities to prefer over the other should be made.

For the eight outer circle aspects, the decision maker also has several specifications to decide on. To be more precise, with respect to ACCOUNTING, two specifications exist. First, the enterprise can either centralize internal or external accounting. Internal accounting can be e.g. balanced and more profitable. External accounting implies an outsourcing of the accounting to external experts. These experts might be more specialized in their work, because they consult more than one enterprise. This might, however, result in less involved accountancies. Besides, one can decide upon international vs. local accounting. This decision is especially important for global actors. The global actors can thus either standardize their accounting and organize it centrally, or individualize it by giving it a local focus.

PRODUCTION has three specifications. First, the enterprise has to evaluate whether to produce in-house or outsource the production. This question is mainly dependent on quality standards, monitoring possibilities, and prices. Second, the enterprise has to decide whether to integrate vertically or to assemble only. Third, the enterprise has to think about demand surfing vs. production smoothing. This clearly depends on the market habits and on the stocking abilities. If demand highly fluctuates, it is difficult for the enterprise to plan production. In areas where stocking is relatively cheap, it might be useful to produce and stock the goods for guaranteeing to satisfy the customers' demand flexibly. In contrast, just-in-time-production minimizes stocking costs but implies that production has to be adapted flexibly. This adaptation can be costly and waste-intensive.

An enterprise can foster local or culturally diverse partnerships when it comes to the aspect JOINT-PRODUCTION ASSEMBLY, which contains two specifications. At this point, international management helps communicating with culturally diverse partners, because communication problems might lead to failures. Furthermore, the

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decision maker should decide between process integration and delivery/stock coordination. This depends on stocking abilities.

The EXECUTIVE MANAGEMENT aspect comprises three specifications. The enterprise can choose whether to be a pioneer or a consolidator on a market. Then the question upon being a networker vs. being a visionary individualist comes up. Finally, whether managers are owner-managers or hired managers has an influence on the aspect EXECUTIVE MANAGEMENT and clearly on the way the managers operate and execute their duties.

R&D contains three specifications and goes hand in hand with innovation culture. It can be conducted inside the enterprise or be outsourced (external vs. internal R&D). External R&D might be less costly, but also less efficient. In this regards, the enterprise has to decide upon R&D spending. The enterprise can either be the market leader in R&D spending, meaning that the spending is above average, compared to the market. Alternatively, the enterprise can rank low compared to the market regarding R&D spending. The two specifications external vs. internal R&D and R&D spending are connected and should be decided jointly. The third specification of R&D is the way internal R&D takes place. One possibility is to foster incentive competition, meaning that individual employees are incentivized to innovate. The other possibility is to incentivize team work.

When it comes to the SERVICE aspect, three specifications exist. One is the choice whether to integrate the service in an own service department and/or to employ own people that provide services (integrated service). In contrast to that, the enterprise might prefer to use external services, as e.g. service partners. A cost-efficiency analysis might help the enterprise to evaluate integrated and external service. The next specification contains the quantity and the quality of the service. The enterprise might be the market leader in service, or prefer to rank low in the market. This decision depends on the market structure and whether the customers value service. If they value service offerings, the third specification helps the enterprise to decide whether to offer unified service or diversified service options.

When an enterprise plans its SALES, it should face three specifications. One is the question of where to sell, namely a local or a global orientation in sales. The 'where'

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is divided in the question on the concerning markets the enterprises sells its products or services on, as well as in the territorial question, e.g. whether to sell worldwide or only in regional markets. Depending on the markets, the enterprise should also think about the range of sales channels. It could either use one channel, or all channels to sell the products or services. As the main aim is usually to maximize sales, the enterprise finally has to decide upon individual and mass sales. This again depends on the customers. Accordingly, other aspects, as e.g. the MARKETING and the CUSTOMER RELATIONSHIP have to be adapted to the choices in regards to SALES.

The HRM aspect focuses on all employee-employer relationships and has three specifications. The enterprise will have to decide whether to invest more in trainings to support existing employees, or whether to invest in recruitment to find those employees who already have the needed qualifications (investing in trainings vs. in recruitment). Flexible working conditions vs. structured working conditions might influence the motivation of the employees, depending on their individual needs. Besides, advancements can be either made in a team, or in a hierarchical way. This last specification is clearly influenced by cultural differences.

In the relationship frame of the PNC are again eight aspects with different specifications. RESPONSIBILITY of the public interest sphere involves three specifications. First, it is the question whether the enterprise wants to present itself more in a socially responsible way or in an environmentally responsible way (social responsibility vs. environmental responsibility). The company analyses in chapter 3 show that most enterprises somehow focus both aspects and that they are not mutually exclusive. In a second step, the enterprise can outsource its responsibility by e.g. supporting and cooperating with non-profit organizations. In contrast to that, the enterprise can value in-house responsibility. This includes e.g. low-emission production or offering responsible products or services, as e.g. special tariffs for people in need. Finally, the enterprise can decide whether to provide financial aid or direct aid. On the one hand, direct aid might include products that are given to people in need, as e.g. food and pharmaceutics in conflict areas. One the other hand, an enterprise can provide additional or separate services, as e.g. employees helping earthquake victims with the sponsored food.

The divides mutual interest sphere into SUPPLIER RELATIONSHIP, SHAREHOLDER/INVESTOR RELATIONSHIP (CORPORATE REPORTING), and ACQUISITIONS. The aspect SUPPLIER RELATIONSHIP includes three specifications. First, the company has to decide whether to cooperate vertically or whether to integrate vertically. Second, the enterprise can choose if it sources from many different suppliers and thus diversifies its suppliers. Alternatively, it can have a few, specialized suppliers, being summarized in the specification many diversified suppliers vs. few suppliers. Having a high number of diversified suppliers leads to less power by each supplier, as Porter (1980, 1985) showed. The enterprise will have contracts with its suppliers and should think about whether to organize them in a flexible way, or whether to negotiate long-term contracts. Long-term contracts might give more planning dependability, but narrows the flexible development of the enterprise. Long-term contracts vs. flexible contracts is thus the third specification of SUPPLIER RELATIONSHIP.

At the aspect SHAREHOLDER/INVESTOR RELATIONSHIP (CORPORATE REPORTING) with its two specifications, the enterprise has to decide whether to reinvest profits or whether to distribute them. This has a direct influence on the shareholder satisfaction, depending on whether the shareholders prefer continuous incomes or long-term growth. To make decisions comprehensible, the enterprise can provide a detailed or a targeted reporting to the shareholders.

The aspect ACQUISITIONS summarizes the enterprises' goal to expand in two specifications. Growth can take place by either building joint-ventures, or focusing on mergers and acquisitions. This clearly implies the strategic question whether to act more conqueringly or whether to find a cooperative way in e.g. joint production or joint research projects. Furthermore, the enterprise has to decide whether to sell own shares on the stock exchange. This results in new capital for projects. Alternatively, an enterprise can buy others' shares to participate in and influence other enterprises on the market.

The trade interest sphere is divided in CUSTOMER RELATIONSHIP, SELLING POINTS/PARTNERS, and MARKETING AND MARKET COMMUNICATION. The CUSTOMER RELATIONSHIP contains two specifications. The relationship can be either customer-oriented or society-oriented. To give an example, a company can decide to

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put the highest value on customers by e.g. offering extra features for products or guaranteeing low prices. On the contrary, the enterprise could decide to more support its CSR and to concentrate on the well-being of the whole society.

Moreover, the relationship can be individual or standardized, meaning that each customer is related to in a personal way or alternatively in a standardized procedure. This specification is especially central when it comes to different customer groups. Customers of different ages or different cultural backgrounds might have different expectations on products or services that an enterprise might satisfy or get to know about by an individual relationship. In contrast, standardized products, services, or brands are generally cheaper than individual ones.

The aspect SELLING POINTS/PARTNERS has two specifications. First, products and services can be either sold via vertical cooperations, or by own distribution. Focusing on own distribution with e.g. subsidiaries or sales personnel might be relatively costly. It clearly depends on the complexity of the products and brands and the customers' values. The complexity of the offerings also influences the question whether the enterprise provides unique selling guidelines that it offers via trainings, or if an individual consultancy is more appropriate (unique selling guidelines vs. individual consultancy).

The aspect MARKETING AND MARKET COMMUNICATION includes three specifications. First, it is the question whether the enterprise prefers marketing individual brands or marketing an umbrella brand. This decision depends on the brand image the customers and consumers have, and on the product or service variety of the enterprise. Depending on the customers, the range of marketing channels should be adapted accordingly. The enterprise can either be the market leader in marketing channels, or choose to rank low in marketing channels. In the final specification, the enterprise has to decide whether it wants to communicate with retailers or consumers. This decision again also influences other aspects, as e.g. sales channels etc.

The aspect COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP of the peer interest sphere comprehends two specifications. The enterprise can either search for technical partnerships, as e.g. using industry norms for its products and services. In

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contrast to that, it might set on non-compatibility to be independent of the competitors' products. Besides, the enterprise can either centralize coopetition strategy and compete and cooperate with its competitors, or it can seek competitive advantage. This competitive advantage can be local or global.

Summing up the specifications of an enterprise formulating a PNC strategy, we can say that each of the 24 PNC aspects has two, three, or four specifications to be evaluated. The specifications will help the enterprise to structure their strategy and to work on strategic objectives and plans in the decision process. To effectively work out a new strategy, it is necessary to analyze the enterprise's current strategy and to combine the outcomes to a new one. The decision maker should use the questionnaire to localize the desired strategy in favor of one or the other specification. In a next step, the person in question should further think about how the individual strategy might look like in detail. For example, he or she has to reflect possible marketing channels in general, to give an example of one specification of MARKETING AND MARKET COMMUNICATION. In a next step, he or she has to work out the detailed marketing channels to be used. This analysis will help the person to structure the strategy formulation and to implement the new strategy that fits to globalized markets. Therefore, in the next step, strategy implementation or execution follows. We will come to this point in the outlook of this work, namely chapter 5.

Chapter 5

5. Conclusion and Outlook for further research

5.0 General conclusion

The aim of this work is to widen strategy research and to introduce a new holistic business strategy concept that focuses on globalized network markets. In the first chapter, we analyzed the strategy literature with the help of a systematic literature review and came to the conclusion that most concepts were well suited for the business environment of their time. However, none of the concepts that are currently available in the literature capture the special features of the global network markets, in which both input and output markets are globalized. This fundamental development in the business environment requires a new holistic strategy concept. Our Power Network Concept (PNC) that we present in chapter 2 provides a framework that organizes the eight main culture aspects and the eight main action aspects of strategy in an interconnected network. The internal aspects of the enterprise's strategy are spanned within a relationship framework that defines the main eight aspects of an enterprise's strategy with respect to the environment in which the enterprise is active. With the help of four case studies, we show the interdependencies of the 24 strategy aspects. Therefore, we first show how cost culture can be adapted to cost leadership or differentiation. Afterwards, we provide insights on how competitive behavior can evolve to coopetition and, finally, how innovation culture can be turned to blue ocean strategy.

After defining the Power Network Concept, we report the industry-by-industry analysis of the accessible documents of 65 globally active Global Fortune 500 enterprises with respect to the 24 aspects of the PNC in chapter 3. We find that the majority of the 65 analyzed enterprises provide public information on all 24 aspects of the PNC. Only few exceptions exist. We introduce a new method of verification for the evaluation of qualitative variables, by eliciting rating from the analyzed firms

and from independent experts. We receive overwhelming corporate confirmation and clearly positive expert ratings for most of the interpretations that we drew concerning the PNC aspects in our analysis. Thus, our first tentative conclusion is that the PNC offers a valid framework for the strategies adapted by globally active enterprises in a set of different industries.

In chapter 4, we provide an instrument that enables a decision maker to assess the PNC strategy of an enterprise and to plan a strategy change or define a new strategy. What remains to be studied is the question of whether the PNC can be used as a tool for strategy implementation and strategy execution. Therefore, we give an outlook on this future study project in the following, before we come to limitations and additional future research.

5.1 Strategy implementation and execution models: An outlook

The case studies of chapter 3 show the interrelationships between the 24 PNC aspects. They also hint in a first step to the possibility of using the PNC as a strategy implementation and execution tool: As one PNC aspect changes, others have to be adapted accordingly. However, the PNC model is thus far based on an analysis of existing strategies in enterprises. As Morgan, Levitt, and Malek (2007) specified, one should not neglect the difference between strategy analysis and strategy execution. More precisely, literature reveals that even well-intended strategies often fail to be implemented due to executives' difficulties in translating strategies into actions (Morgan, Levitt, & Malek, 2007; MacLennan, 2011). Strategy formulation research, as strategy research in general, often relies on Porter's (1980, 1985) models and is thus limited, as Kaplan and Norton (2008) specified. According to Kaplan and Norton (2008), a strategy approach should answer the 'what' as well as the 'how' questions. This gap in strategy research leads to the question of how to get a company where it shall be (strategy execution or implementation) rather than deciding where an enterprise should be in the future (strategy formulation). To be more precise, strategy execution is the relationship between strategy and efficient operations (Hrebeniak, & Joyce, 1984; Morgan, Levitt, & Malek, 2007; Kaplan, & Norton, 2008; MacLennan, 2011).

Whereas some authors (see e.g. Eccles, 1994; Morgan, Levitt, & Malek, 2007; Syrett, 2007) implicitly or explicitly distinguish between (1) strategy, (2) strategy implementation, and (3) strategy execution, others (e.g. Thompson, & Strickland, 1986) argue that strategy implementation and execution follow automatically after the strategy formulation. In fact, in this study, we do not differentiate between strategy implementation and execution. Accordingly, we decided to have a brief look at strategy implementation and strategy execution models. We therefore chose a somehow loose definition of both terms, strategy implementation and strategy execution. In this short literature review, we only included those models that put a strategic idea to work and that develop a model. Those studies that exclusively focus the theory of strategy implementation and execution were excluded from the model explanation (see e.g. Nutt, 1987, 1999). In the following, strategy implementation and strategy execution are treated as synonyms, whenever the described models fit our definition. In doing so, we follow the several authors' terminology.

By analyzing the literature from a content and research perspective, it becomes evident that strategy implementation and execution are less often analyzed than strategy analysis and formulation. Strategy implementation and execution are thus an underrepresented research topic. This might be explained by the belief that most researchers have that strategy implementation automatically follows successful strategy formulation. Yet a widely accepted guidance that helps strategists translating the theory into action is missing (Stonich, 1982; Hrebeniak, & Joyce, 1984; Eccles, 1994; MacLennan, 2011). 147

To further evaluate our PNC model and to contribute to this research gap, the next logical step is to test whether our PNC model can be applied as a strategy implementation and execution model (Thompson, & Strickland, 1986). Galbraith and Nathanson (1978) hinted to the importance of adapting all enterprise's aspects to a new strategy to achieve an effective fit. Therefore, we examine all PNC aspects that give us an insight into the interdependencies of the aspects already analyzed within the case studies.

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¹⁴⁷ We recommend MacLennan (2011) for further insight into strategy execution and environmental analysis.

5. Conclusion and Outlook for further research

In order to contribute to the research gap, we opted for a holistic model of each decade to provide a short outlook on strategy implementation and strategy execution models. Table 5.1 shows an overview of the included models, all published in a book. Studies in journals were less frequently quoted and thus not included in the overview.

Table 5.1: Strategy implementation and strategy execution models.

Year	Author	Name of book	Frequency of quotes (Google scholar)
1977	Galbraith	Organization Design (b)	3,866
1978	Galbraith, & Nathanson	Strategy Implementation: The Role of Structure and Process (b)	608
1986	Galbraith, & Kazanjian	Strategy Implementation: Structure, Systems, and Process (b)	472
1982	Stonich	Implementing Strategy: Making Strategy Happen (b)	113
1984	Hrebeniak, & Joyce	Implementing Strategy (b)	445
1994	Eccles	Succeeding with Change: Implementing Action-driven Strategies (b)	100
2008	Kaplan, & Norton	The execution premium: Linking strategy to operations for competitive advantage (b)	363

To identify the most influential strategy implementation and strategy execution models, we used the following keywords for a short literature analysis: "strategy implementation" and "strategy execution". We further added the keyword "model" into the research and categorized the literature according to the year of publication. After having analyzed more than 100 publications, we excluded the majority of studies, because they neither presented a holistic model nor achieved high frequency of quotes in Google scholar. We came up with seven influential studies, summarized

in Table 5.1. For instance, Galbraith's (1977) model of 1977 serves as a good example of the state of the art of the 1970s. In fact, the model is further analyzed in Galbraith and Nathanson's (1978) work as well as in Galbraith and Kazanjian's (1986) study. All three research studies were cited more than 4,900 times. For the 1980s, we examine Stonich's (1982) model, which was cited 113 times. We add some insights into Hrebeniak and Joyce's model (1984), which is less explicit than other frameworks, but cited 445 times. Thompson and Strickland (1986) also developed a framework. However, as it is mainly based on administrative problems, we excluded the model from our analysis despite its frequency quoting of 250 times. For the 1990s, we exemplify Eccles' model (1994) that was cited 100 times. For the 21st century, we chose Kaplan and Norton's (2008) six major stages of strategy implementation, being cited 363 times. In addition, we included Kaplan and Norton's (1992, 1993, 1996) balanced scorecard approach which we already explained in chapter 1. The six major stages are based on these thoughts and might thus perfectly fit to the foregoing chapters. Some additional hints are specified on further aspects given by non-holistic models. We excluded some studies, e.g. by Moore (2000) (being cited five times), Smith and Sims (2000) (no frequency quoting available), Sparrow (2000) (being cited 23 times), Morgan, Levitt, and Malek (2007) (being cited 35 times), Syrett (2007) (being cited eight times), Carroll (2000) (being cited ten times), and MacLennan (2011) (being cited seven times).

Galbraith (1977) (also explained in Galbraith and Nathanson (1978) as well as in Galbraith and Kazanjian (1986) was among the first that implement a system-based strategy implementation model focusing on strategy execution. ¹⁴⁸ Galbraith (1977) mainly based his thoughts on Chandler's (1962) theory that 'structure follows strategy' but adds additional variables of importance. An enterprise has to choose among many possibilities for implementing a strategy successfully. All these choices can be grouped into five interrelated design variables and have to be checked for consistency. These five variables are 'people,' 'task,' 'structure', 'reward system', as well as 'information and decision processes'. The enterprise's 'product/market strategy' represents an input to the five variables whereas its 'performance' is the output. Galbraith and Kazanjian (1986) noted that it is

¹⁴⁸ In the following, this model is referred to as Galbraith's (1977) model.

important to achieve a fit of all dimensions within an organization, first to each other and second to the strategy. Linking the model to our PNC model, we conclude that Galbraith (1977) explicitly and implicitly hinted to six aspects of the culture frame: WORK CULTURE, INCENTIVE CULTURE, GOVERNANCE CULTURE, PRODUCT CULTURE, as well as INTERNAL and EXTERNAL COMMUNICATION CULTURE. No information is given on COST CULTURE and INNOVATION CULTURE. Furthermore, Galbraith (1977) gave advice to the relationship frame, e.g. by complementing the aspects ACCOUNTING and HRM. Additionally, the performance outcome hints to the PNC's EXECUTIVE MANAGEMENT, PRODUCTION, SERVICE, and SALES. Yet information on JOINT

PRODUCTION ASSEMBLY and R&D are missing. Regarding the relationship frame, some information on CUSTOMER RELATIONSHIP, SELLING POINTS/PARTNERS, SUPPLIER RELATIONSHIP, COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP, and SHAREHOLDER/INVESTOR RELATIONSHIP are given in the three works. The model does not entail any information on RESPONSIBILITY, ACQUISITIONS, or MARKETING AND MARKET COMMUNICATION.

Stonich (1982) presented a system-based strategy implementation model with six aspects. 'Strategy formulation' is the first aspect and symbolizes an input, working hand in hand with strategy implementation. Strategy formulation includes e.g. business definition and external analyses and is similar to the product/market strategy in Galbraith's (1977) model. The strategy formulation is followed by internal capabilities and finally the output, namely the 'strategic objectives achieved,' again being similar to the aspect performance of Galbraith's (1977) model. The internal capabilities encompass the four aspects 'organization structure,' 'management processes,' 'human resources,' and 'culture'. All four internal capabilities interact with each other and are also similar to Galbraith's (1977) model. 'Organization structure' includes "the formal authority hierarchy that delineates the various roles, responsibilities, and reporting relationships within the firm" (Stonich, 1982, p. XIX). This aspect is analogue to Galbraith's (1977) structure aspect. The aspect 'management processes' summarizes (1) planning, as e.g. communication, (2) programming, including time-horizon and financial effort, (3) budgeting, meaning short- and long-term resource allocation, and (3) rewarding within an enterprise.

These 'management processes' are similar to Galbraith's (1977) information and decision processes. The aspect 'human resources' includes enterprises' employees, their skills, etc. This aspect is comparable to Galbraith's (1977) people and reward system aspects. The only extension seems to be the aspect 'culture'. 'Culture' is defined as the most challenging aspect of an enterprise. It includes managers' behavior and attitude in regards to the strategy and enterprise actions. Culture summarizes our PNC culture aspects and includes all eight PNC aspects of the inner frame though not defining them in detail. Overall, the only difference between Galbraith's (1977) model and Stonich's (1982) model is the aspect 'culture' which Stonich (1982) added to Galbraith's (1977) model. Again, no information is provided on the two aspects of the production frame (JOINT-PRODUCTION ASSEMBLY and R&D) and the three relationship frame aspects (RESPONSIBILITY, ACQUISITIONS, and MARKETING AND MARKET COMMUNICATION).

Hrebeniak and Joyce (1984) also conceived strategy formulation as an input in the 'key planning' phase. Moreover, they included the setting of long-term objectives and the respective achievement plans in strategy formulation. By contrast, we focus more on the decision process in our model. In the 'design decision' phase, we assume four sequentially dependent aspects to be important. However, we emphasize that depending on the change, it might be useful to evaluate the different aspects. More precisely, one could focus on less than all four aspects or assign a special value to one of them. Following strategy formulation, the two aspects designing the 'primary structural choices' and 'establishing operating-level objectives' follow. The primary structure includes breaking down the objectives into smaller elements. The operating level objectives guarantee consistency between the chosen structure and the objectives. Subsequently, the two aspects 'operating structure' and 'incentives and controls' follow. The term 'operating structure' refers to the managers' task to decide upon major components and the specific structure of the organization. The last aspect includes the rewards to guarantee a good performance. Hrebeniak and Joyce (1984) further pointed out the aspect 'change management' which refers to problems involved in changing a strategy. In fact, Hrebeniak and Joyce's (1984) model is less complex and more detailed than the preceding models that we presented. We will now continue with the models of the 1990s.

Thompson and Strickland (1986) explicitly asked for flexibility in strategy implementation models. However, it was not until the 1990s and the 21st century before this flexibility was firstly considered in the models. Eccles's (1994) model encompasses four different aspects. Eccles (1994) broke with the traditional view of strategy formulation and implementation by formulating a straightforward sequence and integrating so-called feedback-loops into the model. Eccles (1994) therefore converged towards the network idea of the PNC. Eccles (1994) further showed that besides being a process, strategic action is also an event combining strategy formulation and implementation. Between strategy formulation and implementation, one can find further development, as Eccles (1994) explained. In fact, strategy formulation includes the aspect 'create,' meaning that after having analyzed the circumstances, one has to rearrange and choose a new strategy. In the development stage, strategy design and plan is fostered, defined as 'arrange'. Here, the resources are of special interest, as e.g. financial assets and employees. Modifications of strategy aspects can be made. At the same time, the element 'sell' interacts with 'arrange'. 'Sell' includes communication activities, rewards, and persuasion. Finally, strategy implementation summarizes the 'do', when action is undertaken. In contrast to the previous aspects, Eccles' (1994) ideas seem to be vaguer. What clearly differentiates Eccles (1994) from his predecessors is that he implements some kind of flexibility to strategy implementation and execution. So far, this flexibility lacked in literature but was requested by Thompson and Strickland (1986) already in 1986. In addition to the feedback-loops that break with the former sequence thinking, Eccles (1994) partially included the network character of our PNC. In regards to the aspects that his colleagues missed in their models, Eccles (1994) only indirectly hinted to R&D when he talks about development in general. The PNC aspects JOINT-PRODUCTION ASSEMBLY, RESPONSIBILITY, ACQUISITIONS, and MARKETING AND MARKET COMMUNICATION are still missing in strategy implementation and execution literature to this date.

The strategy execution and implementation research of the 21st century was dominated by the focus on employees and managers. Syrett (2007), Moore (2000), Smith and Sims (2000), as well as Sparrow (2000) were among the theorists that underlined the people's individual and working-in-a-team importance. Neilson, Martin, and Powers (2008) highlighted the importance of making employees

understand strategy adaption and helping them to change. They thus hint to the PNC aspects WORK CULTURE, INCENTIVE CULTURE, and INTERNAL COMMUNICATION CULTURE of the inner circle, as well as to EXECUTIVE MANAGEMENT and HRM of the relationship frame. Moreover, Syrett (2007) explained that people become more innovative if they are fully aware about the strategy. Therefore, INNOVATION CULTURE of the PNC is further important.

In order to give a more detailed overview on one strategy execution and implementation model of the 21st century, we opted for Kaplan and Norton's (2008) model. We have presented their concept of the balanced scorecard (1993, 1996, 2000) in chapter 1 of this work. Over the years, Kaplan and Norton (2008) found out that using their models helped enterprises implementing their strategies. However, most executives understood existing strategies as being given. Thus, Kaplan and Norton (2008) developed six major stages that help to formulate a strategy: (1) Managers develop a strategy by clarifying the mission statement, values, and vision which define a company's culture, by conducting strategic analyses, and by formulating the strategy. (2) Tools help the enterprise to plan the strategy, e.g. by using the balanced scorecard model and conducting external analyses. In addition, SUPPLIER RELATIONSHIP, COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP, and SUPPLIER RELATIONSHIP should further be considered. (3) All enterprise's parts and the employees have to be aligned to the developed strategy. In the PNC model, the aspects INTERNAL COMMUNICATION CULTURE, WORK CULTURE, and GOVERNANCE CULTURE encompass this alignment. (4) Operations can be planned, including executive management. (5) Problems, barriers and challenges have to be monitored and learned about. (6) By testing and adapting the strategy, the strategy is evaluated. The six stages define a closed-loop system that links strategic planning to execution, operational planning, and learning and thereby includes interrelationships. Again, Kaplan and Norton (2008) assumed existing processes to be changed, coordinated, and modified. Following Eccles (1994), Kaplan and Norton (2008) gave their model a flexible and interrelated approach, being congruent with the main idea of our PNC. Besides, their model is more complex than Eccles' (1994) model but less concrete than the models of the 1970s and 1980s. Focusing on the remaining four PNC aspects that were so-far not mentioned in any model, i. e. JOINT-PRODUCTION ASSEMBLY, RESPONSIBILITY, ACQUISITIONS, and MARKETING AND MARKET

COMMUNICATION, we can conclude that still no explicit information is given in Kaplan and Norton's (2008) model.

To summarize the outlook on strategy execution and strategy implementation and our PNC model, we conclude that all but four aspects of the PNC are named in the models presented above. While no model includes all 24 aspects of the PNC, the models of the 1970s, 1980s, 1990s, and the 21st century all studies refer to some aspects of the PNC as a strategy execution and implementation help. However, Kaplan and Norton (2008) explain that although some tools exist, a linkage between them is missing to formulate a holistic strategy. We thus suggest further analyses of the PNC as a strategy execution and implementation model. We are optimistic that one can use the PNC as a strategy implementation and execution model, because existing literature already focuses 20 of the 24 aspects. Moreover, since attention was called to interrelationships as well as flexibility in the strategy execution and implementation models from the 1990s, the PNC accomplishes this request by being based on network effects and including the analysis of interrelationships of the aspects and their flexibility.

What can be further recapitulated is that all authors assume that already existing companies restructure their strategy. One remaining question is whether the PNC also fits to entrepreneurial research and helps mapping a start-up strategy. MacLennan (2011) suggested having a look at different research fields in order to shed a better light on strategy execution. Accordingly, organization theory or project management theory might help to evaluate the PNC in the strategy execution and implementation modus, both for existing enterprises changing their strategy as well as for start-ups. Furthermore, additional potential influences on strategy execution and implementation, as e.g. governmental impact, should be addressed in future research (see e.g. Nutt, 1999). The research design could be empirical, as MacLennan (2011) suggested. What we can say is that a change in strategy is time-consuming and requires a lot of effort and spending, depending on the size of the strategy change and the available time (see Galbraith, & Nathanson, 1978; Hrebeniak, & Joyce, 1984; Carroll, 2000). Hrebeniak and Joyce (1984) underlined the importance of efficiently using financial, strategic, and human resources to implement a strategy. The enterprise's executives should thus evaluate the intended

strategy. Future research will show how the PNC can be used for strategy implementation and strategy execution in theory and practice.

5.2 Further limitations and future research

Our work provides a general framework to analyze and classify strategy of large enterprises in globalized markets and gives an insight on internal network effects of companies. It further shows how to formulate and implement strategy. The question whether the approach is also suitable to deal with small and medium-sized enterprises remains to be studied. What Chang and Singh (2000) exemplified is that different industry definitions and firm size significantly influence strategy research. Furthermore, public sector organizations also face challenges when changing their strategy. It remains to be analyzed whether the PNC might also help non-profit organizations to analyze, formulate and implement a strategy (McKevitt, 2000). Additionally, future empirical studies are needed to identify the differences in strategies employed by successful and struggling companies. The identification of successful strategies using the PNC will then be informative to enterprises that seek to prosper by redefining their strategy. Besides, long-term studies might show whether the PNC suites well as a concept for analysis, formulation and implementation.

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Appendix

Appendix A

Table A.1: List of journals used in the systematic literature review.

Abbreviation of Journal	Full name of Journal
AME	The Academy of Management Executive
AMJ	Academy of Management Journal
AMR	Academy of Management Review
ASQ	Administrative Science Quarterly
ВН	Business Horizons
BHR	Business History Review
CMR	California Management Review
DS	Decision sciences

Abbreviation of Journal	Full name of Journal
ЕМЈ	European Management Journal
ES	Economy and society
HBR	Harvard Business Review
IHRM	The International Journal of Human Resource Management
IJMR	International Journal of Management Reviews
JBS	The Journal of Business Strategy
JEB	Journal of Economics and Business
JIBS	Journal of International Business Studies
JIMK	Journal of International Marketing
JOM	Journal of Management
JMKG	Journal of Marketing
MD	Management Decision

Abbreviation of Journal	Full name of Journal		
MKQ	McKinsey Quarterly		
MNSC	Management Science		
POMS	Production and Operations Management		
RJE	The RAND Journal of Economics		
RS	Regional studies: Journal of the Regional Studies Association; the international forum for regional development policy and research		
SBED	Journal of Small Business and Enterprise Development		
SL	Strategy & Leadership		
SMJ	Strategic Management Journal		
TFSC	Technological Forecasting and Social Change		

Appendix B

In order not to screw the meanings of the information, some parts are directly quoted in the tables. Thus the tables are meant to give an overview on selected information and direct company quotes. The sources are given below the tables. Where not available in the company data or where contradictory or incomplete data was found, we used the Fortune Global 500 list information.

Table B.1.1: Services in general.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Veolia Environnement	None explicitly stated	- creative solutions able to reconcile growth in human activity with increasingly scarce resources - energy efficiency, water management, mobility, waste treatment and recovery	Values: Customer focus, responsibility, innovation, performance, team work - internal communication - production - global human resource policy is implemented by local leadership teams - R&D - Reduce costs	 664 partnerships developing efficient and responsible relations with suppliers acquisitions 	- company safeguards the quality of ecosystems and helps its customers preserve them (biodiversity) - managing societal, environmental and social performance

Ingram Micro	Vision:	Guiding Principle:	Values:	- competitive	- being socially
Inc.	"Ingram Micro will be	focus on enhancing the	- teamwork	differentiation through	responsible in
	universally regarded as the	success of business partners,	- respect	high quality execution	environment,
	best way to deliver	associates, investors while	- accountability	- vendor partners	communities,
	technology to the world."	embracing values of	- integrity	- acquisitions	workplace
	Mission:	teamwork, respect,	- innovation	- long-term partnerships	
	"To be an indispensable	accountability, integrity,	- cost-effectively	with suppliers	
	business partner - the	innovation.	- continuously optimizing		
	most valued bridge	- sales representatives	productivity		
	between our vendors and				
	customers.				
	Measurably contribute to				
	the growth and				
	profitability of our				
	customers – both vendors				
	and resellers – in a manner				
	that is difficult to replicate				
	or substitute."				
	- "For vendors, create				
	value through				
	efficiency, demand				
	generation, and access				
	to markets and				

	customers."								
	- "For resellers, provide								
	unique offerings that								
	create sales and profit								
	opportunities,								
	including valuable								
	vendor relationships,								
	sales programs,								
	access to credit, and								
	training and								
	development"								
Google Inc.	"Our mission is to	-	a global technology	-	embrace collaboration and	-	partnerships with content	-	green initiatives
	organize the world's		leader		creativity		companies		
	information and make it	-	focused on improving	-	encourage the iteration of	-	distribution partners		
	universally accessible and		the ways people connect		ideas to address complex	-	acquisitions		
	useful."		with information		technical challenges				
	Philosophy:	-	launch innovative	-	transparency and open				
	"building open platforms		products early and often,		dialog are central				
	with optionality, and		then iterate rapidly to	-	internal communication				
	creating infrastructure that		make those products	-	still understand themselves				
	allows everyone on the		even better		as a startup: give employees				
	web to succeed"	-	develop and grow sales		the freedom to act on their				
		-	cost-effective work and		ideas regardless of role or				

		thus prices	function within the		
		- marketing, promotional,	company		
		and public relations			
		activities are designed to			
		promote Google's brand			
		image and			
		differentiate it from			
		competitors			
Maruhan	Vision:	- Comfort, excitement and	Organizational philosophy:	- business partners	- want to tackle
Corporation	- "To become the best	safety for providing	- expression of Dreams	- fair, transparent and free	various social
	company in Pachinko	life's little pleasures	- participating voluntarily	competition	problems
	industry in terms of	'Maruhan-ism':	with passion, seek for		- will achieve
	employee satisfaction	Purpose and highest order of	dreams come true		relationships with
	and customer	value	Challenge Without Fear of		local society
	satisfaction."	- providing places where	Failure		through providing
	- "To provide top-class	people can experience	To create Maruhan's future, we		community centers
	hospitality in all	joy and comfort	will continue to be an		to neighbors
	forms of service	- refresh people,	organization that evolves		
	sector."	physically and mentally,	through challenge and never be		
	- "Become a world-	encourage to tackle day-	satisfied with the current		
	class entertainment	to-day affairs	situation.		
	company."	- contribute to satisfaction	Maruhan as a Team:		
		of happy and hopeful	continue being independent		

		society	organization, strong relationship		
		Mental Attitudes	through sharing delights,		
		- Originality and	helping each other.		
		ingenuity, sincerity and			
		effort, trust and service	Values:		
		For Society: Company-wide	"We define "entertainment" as		
		approach and stance	an accumulation of exciting and		
		- be a pioneering company	comforting vibrations."		
		- seek new challenges			
Sodexo	"Our mission is twofold:	Four pillars for growth:	Values:	- long-term partnerships	- social and
	Improve the Quality of	- become a global leader	service spirit, team spirit and	with external	environmental
	Life of our employees and	in On-site Service	spirit of progress	organizations	responsibility
	all who we serve -	Solutions	Key strengths:	- want to create	
	employees in the	- strengthen leadership in	- independence, a true force	competitive advantage	
	workplace, patients in	Foodservices, remains a	in these turbulent times;	through people	
	hospitals, students at	central component of	- solid financial model	- acquisitions	
	schools and universities,	On-site Service	- unique global network		
	prisoners in correctional	Solutions	across 80 countries;		
	facilities, soldiers in their	- become global leader in	- very significant potential		
	barracks or in the field,	Motivation Solutions,	market, especially with new		
	etc."	make good progress on	positioning that has almost		
	"Contribute to the	this path	tripled as compared to the		
	economic, social and	- steadily grow Personal	potential for foodservices		

environmental	and Home Services,	alone;	
development of the	offerings for improving	- employees	
communities, regions and	individual quality of life	Philosophy:	
countries in which we	four main service	"A company is the community	
operate."	categories: childcare,	of its clients, consumers,	
	tutoring and lifelong	employees and shareholders."	
	training, concierge	- satisfying expectations	
	services, and senior care.	- organic growth	
		- increasing sales	
		- R&D	
		- cost reductions	

Sources: See Annual and Sustainability Report 2010 Veolia Environnement (2010); http://www.veolia.com/en/group/suppliers/ (2011), 01/02/2012; http://www.veolia.com/en/challenges/biodiversity/ (2011), 02/14/2012; http://www.veolia.com/en/group/strategy/ (2011), 01/02/2012; Ingram Micro 2010 Annual Report (2010);http://phx.corporate-ir.net/phoenix.zhtml?c=98566&p=irol-aboutIMVision (n.d.), 02/14/2012; Google 2010 Report (2010);Annual http://www.google.com/intl/en/about/company/initiatives.html (n.d.), 02/16/2012; http://www.maruhan.co.jp/english/vision.html (2011),02/16/2012; http://www.maruhan.co.jp/english/bios.html (2011), 02/16/2012; http://www.maruhan.co.jp/english/ism.html (2011), 02/16/2012; Annual Report 2010 Sodexo (2010); Fiscal 2010 Reference Document Sodexo (2010); Sodexo Corporate Citizenship Progress Review 2011 (2011).

Table B.1.2: Services in general employees and financial data.

	Employees	Financial data in \$
Veolia Environnement		Revenue:
	2010: 317,034	2010: 34,787 million € / 46,566 million \$
	2009: 312,590	2009: 33,952 million € / 48,636 million \$
	2008: 336,013	2008: 36,205 million € / 50,665million \$
Ingram Micro Inc.		Net sales:
	2010: 15,650 (full-time)	2010: 34,589 million \$
	2009: 13,750 (full-time)	2009: 29,515 million \$
	2008: 14,500 (full-time)	2008: 34,362 million \$
Google Inc.		Revenue:
	2010: 24,400 (full-time)	2010: 29,321 million \$
	2009: 19,835 (full-time)	2009: 23,651 million \$
	2008: 20,222 (full-time)	2008: 21,796 million \$
Maruhan Corporation		Net sales:
	03/2011: 12,226	03/2011: 2,038,943 million Yen / 24,467 million \$
	03/2010: 12,899	03/2010: 2,120,922 million Yen / 22,694 million \$
	03/2009: 12,671	03/2009: 2,055,907 million Yen / 20,765 million \$

Sodexo		Revenue:
	2010: 380,000	2010: 15,300 million € / 20,481 million \$
	2009: 380,000	2009: 14,700 million € / 21,058 million \$
	2008: 355,000	2008: 13,600 million € / 19,032 million \$

Sources: See Annual and Sustainability Report 2010 Veolia Environnement (2010); Annual and Sustainability Report 2009 Veolia Environnement (2009); Annual and Sustainability Report 2008 Veolia Environnement (2008); 2008 Ingram Micro Annual Report (2008); Ingram Micro 2009 Annual Report (2009); Ingram Micro 2010 Annual Report (2010); Google 2009 Annual Report (2009); Google 2010 Annual Report (2010); http://www.maruhan.co.jp/english/ir_financial.html (2011), 02/16/2012; Fiscal 2008 Annual Report Sodexo (2008); Fiscal 2009 Annual Report Sodexo (2009); Annual Report 2010 Sodexo (2010).

Table B.2.1: Insurances.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
AXA Group	Vision: "We truly differentiate ourselves and deserve the trust our key stakeholders place in us" "Our ambition is to become the preferred company in our industry for all of our key stakeholders: our customers, our distributors, our employees, our shareholders and the society we live in. To deserve the trust our key stakeholders place in us we truly differentiate ourselves by redefining the standards of	Purpose of the company: - to acquire all types of ownership interests in any French or foreign company or business, regardless of its legal corporate structure; to manage and, as the case may be, to dispose of these ownership interests; to take	Five values: - "Integrity: Always being responsible and doing the right thing - Team spirit: Being one company, one diverse team - Professionalism: Always seeking to make a difference - Innovation: Constantly striving to find new and improved ways to add value for all stakeholders	 partnership with banks, car dealers distribution partnerships 	 partnerships with non-profit organizations reducing impact on environment

our business and by being	part any -	Pragmatism:	
available, attentive and	transaction which	Facing reality with	
reliable."	directly or	courage and	
- "For our customers, we	indirectly relates	focusing on	
are committed to	to the corporate	outcomes"	
delivering segmented	purpose, or in		
and compelling solutions	furtherance		
to answer their needs	thereof;		
through their preferred	- in particular to		
channel."	acquire and		
- "For our distributors, we	manage, within		
are committed to	this framework,		
delivering tailored and	all types of		
differentiating business	ownership		
solutions to grow their	interests,		
franchises."	in/directly, in		
- "For our employees, we	French/foreign		
are committed to	insurance		
creating an environment	company/busines		
which empowers people	S		
to become the best they	- to acquire,		
can be through	manage, sell all		
continuous career and	un/listed shares		

developi	ment and	securities,	
opportur	nities." perso	sonal/real	
- "For ou	ur shareholders, estate	te properties,	
we are	committed to right	ts, shares/	
deliverin	ng superior total secur	urities,	
sharehol	der return un/lis	isted, related	
through	faster growing, to	such	
higher o	quality and less prope	perties;	
volatile	earnings." - perfo	form all	
- "For the	e society we live indus	ıstrial,	
in, we a	are committed to comm	nmercial,	
contribu	ting to fostering finan	ncial,	
a stron	nger and safer perso	sonal or real	
society b	by leveraging our estate	te property	
skills, re	esources and risk trans	sactions	
expertise	e." whic	ch in/directly	
- ambition	n to become the relate	tes to	
preferred	d company in corpo	porate purpose	
industry	or	any	
Mission:	simil	ilar/equivalent	
"Help custo	omers live their purpo	pose, in	
lives with	more peace of furth	herance	
mind"	there	eof	

American	"Our vision is	-	increasing sales	-	"Develop diverse	-	distribution partners	None explicitly stated
International Group,	To be the world's first-choice	-	provide		talent. Reward	-	partners in the U.S.	
			•		talent. Reward excellence. Anticipate their priorities. Exceed their expectations. Be accountable. Manage risks. Deliver AIG's strength. Work honestly. Enhance AIG's reputation. Value all colleagues. Collaborate with one another. Seize	-	•	None explicitly stated
				1	Collaborate with one another.			

China	Life	None explicitly stated	-	proactive	-	accelerating	-	proactive competition	-	micro-insurance products
Insurance Con	mpany			competition		adjustments in		strategy		
Limited				strategy		business structure	-	distribution network		
			-	Business	-	strengthening basic	-	acquisitions		
				Strategy: business		infrastructure				
				mix restructuring,	-	continuously				
				enhance		promoting				
				sustainable		transformation of				
				business growth		the mode of				
			-	product strategy:		development				
				traditional and	-	remuneration,				
				participating		incentive system				
				products, mass		with reference to				
				market, with due		individual				
				consideration of		employee's				
				mid-and high-end		position,				
				customers' needs.		company's results,				
			-	positioning		market conditions				
				different	-	innovation of new				
				distribution		products				
				channels	-	external				
			-	regional		communication is				
				development		strengthened				

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- shareholder value	- joint financing and	
	construction	

Sources: See Registration Document AXA Annual Report 2010 (2010); http://www.axa.com/en/governance/structure/bylaws/ (n.d.), 02/17/2012; http://www.axa.com/en/group/corporate-mission-statement/vision/ (n.d.), 02/16/2012; http://www.axa.com/en/group/corporate-mission-statement/vision/ (n.d.), 02/16/2012; http://www.axa.com/en/group/corporate-mission-statement/vision/ (n.d.), 02/16/2012; American International Group, Inc. 2010 Annual Report (2010); Delivering on our Commitments, Code of Conduct AIG, http://www.aigcorporate.com/corpgovernance/code_conduct.html (02/28/2012), 01/03/2012; China Life Insurance Company Limited Annual Report 2010 (2010); http://www.e-chinalife.com/IRchannel/files-fixed/summary_EN.pdf (n.d.), 02/29/2012.

Table B.2.2: Insurances employees and financial data.

	Employees	Financial data in \$	
AXA Group		Total revenues:	
	2010: 122,671	2010: 90,972 million € / 121,775 million \$	
	2009: 135,000	2009: 90,124 million € / 129,103 million \$	
	2008: 135,000	2008: 91,221 million € / 127,655 million \$	
American International		Total revenues:	
Group, Inc.	2010: 63,000	2010: 77,301 million \$	
	2009: 96,000	2009: 75,352 million \$	
	2008: 116,000	2008: 6,840 million \$	
China Life Insurance		Total revenues:	
Company Limited	2010: 103,220	2010: 385,838 million RMB / 56,487 million \$	
	2009: 104,535	2009: 339,290 million RMB / 49,638 million \$	
	2008: 102,241	2008: 300,385 million RMB / 42,835 million \$	

Sources: See Registration Document AXA Annual Report 2010 (2010); AXA Full Year 2008 Earnings (2008); AXA Full Year 2009 Earnings (2009); American International Group, Inc. 2008 Annual Report (2008); American International Group, Inc. 2010 Annual Report (2010); China Life Insurance Company Limited Annual Report 2009 (2009); China Life Insurance Company Limited Annual Report 2010 (2010).

Table B.3.1: Banking.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
ING Group	Mission: "ING aims to deliver its financial products and services in the way its customers want them delivered: with exemplary service, convenience and at competitive prices. This is reflected in our mission statement: to set the standard in helping our customers manage their financial future."	serve stakeholders interests, increase management focus, create value for shareholders, separation of banking and insurance operations. "We believe the widespread demand for greater simplicity, reliability and transparency makes this the best course of action. In the future, ING Bank will build on its global presence	 commitment to excellent service global scale to meet the needs of a broad customer base act with integrity open and clear respect each other two-way stakeholder exchange 	- shareholder of other banks - partnerships with other banks	 social and environment supporting e.g. UNICEF with respect to education for children

and international
network and capitalize
on its leadership
position in gathering
savings, multi-channel
distribution, simple
propositions and
marketing. ING
Insurance has a strong
position as a global
provider of life
insurance and
retirement services.
While moving
towards
the public offerings of
a Europe-led and a
US-focused business,
ING Insurance will
initially concentrate
on further improving
its
Operational

		performance. Both the			
		Bank and the Insurer			
		will focus on earning			
		our customers' trust			
		through transparent			
		products, value for			
		money and superior			
		service. This reflects			
		ING's universal			
		customer ideal: saving			
		and investing for the			
		future should be			
		easier."			
Bank of America	"Our vision is for Bank of	- providing core	Operating principles:	- shareholder of other	- funded grants
Corp.	America to be the world's	financial services	- customer-driven	banks partnerships	- launched partnerships with
	finest financial services	to people,	- are building and	with other banks	non-profit lenders to help them
	company."	businesses of all	will maintain a	- mergers with other	deploy capital in underserved
		sizes, institutional	fortress balance	banks	communities
		investors	sheet		
			- pursuing		
			operational		
			excellence in both		
			efficiency and risk		

			management		
			- will deliver on		
			shareholder return		
			model		
			- will continue to		
			clean up legacy		
			issues		
			- will be the best		
			place for people to		
			work		
Industrial and	Vision:	"Strategic approaches:	"Integrity Leads to	- shareholder of other	- donations (in kind or money),
Commercial Bank of	"A global leading bank with	- Continue to push	Prosperity."	banks	human services, education
China Limited	the best profitability,	forward	humanity, prudence,	- partnerships with	development
	performance and prestige."	optimization of	innovation, excellence	other banks	- participation in poverty
	"Mission:	business structure			alleviation program, disaster
	- Excellence for You	and income mix			relief work, education aid
	- Excellent services to	- take various			activities
	clients	measures to			
	- Maximum returns to	actively explore			
	shareholders	new areas of			
	- Real success for our	universal banking			
	people	framework			
	- Great contribution to	- Carry out			

society"	international	
	strategy to	
	establish a global	
	and multi-	
	functional service	
	chain	
	- Further improve	
	corporate	
	governance,	
	strengthen	
	comprehensive	
	risk management	
	and internal	
	control	
	mechanisms,	
	push forward	
	implementation	
	of HR upgrading	
	project, and	
	establish HR	
	management	
	system in line	
	with needs of a	

modern		
commercial		
bank''		

Sources: See http://www.ing.com/Our-Company/About-us/ING-and-the-parliamentary-inquiry-1.htm (2011), 12/15/2011; ING Group Annual Report 2010 (2010); Bank of America 2010 Annual Report (2010); http://message.bankofamerica.com/heritage/#/merger-history (2010), 01/17/2012; http://www.icbc-ltd.com/ICBCLtd/About%20Us/Corporate%20Culture/ (n.d.), 01/04/2012; http://www.icbc-ltd.com/ICBCLtd/About%20Us/Social%20Responsibility/ (n.d.), 01/17/2012; http://www.icbc-ltd.com/ICBCLtd/Investor%20Relations/Investment%20Highlights/Our%20Strategic%20Goals/ (2007), 01/17/2012.

Table B.3.2: Banking employees and financial data.

	Employees	Financial data in \$
ING Group		Total income:
	2010: 107,106	2010: 54,887 million € / 73,472 million \$
	2009: 107,173	2009: 47,765 million € / 68,423 million \$
	2008: 124,661	2008: 66,291 million € / 92,768 million \$
Bank of America Corp.		Total net revenues:
	2010: 288,122 ¹⁴⁹	2010: 111,390 million \$
	2009: 283,717 ¹⁵⁰	2009 120,944 million \$
	2008: 243,075 ¹⁵¹	2008: 73,976 million \$
Industrial and		Net profit:
Commercial Bank of	2010: 397,339	2010: 1,660 million RMB / 24,302 million \$
China Limited	2009: 389,827	2009: 1,294 million RMB / 18,931 million \$
China Limited	2008: 385,609	2008: 1,112 million RMB / 15,857 million \$

Sources: See ING Group Annual Report 2010 (2010); Bank of America 2010 Annual Report (2010); Fortune Global 500 BAC (2011); Fortune Global 500 BAC (2010); Fortune Global 500 BAC (2009); Industrial and Commercial Bank of China Limited 2008 Annual Report (2008), Industrial and Commercial Bank of China Limited 2010 Annual Report (2010).

¹⁴⁹ Note: Fiscal year ended 2010.

¹⁵⁰ Note: Fiscal year ended 2009.

¹⁵¹ Note: Fiscal year ended 2008.

Table B.4.1: Transport and Travel.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
China Railway Group Limited	Vision: stick to scientific development; build up a harmonious corporation; create enterprise value "Motto: strive to challenge limits and achieve excellence"	Twelfth Five-year (i.e. 2011-2015): overall strategic aims of the Group's development include - instigating two changes - creating second startup, - promote "China Railway" as leading conglomerate and top-class in the world, outstanding core businesses, wide diversification, strong international competitiveness	"As one of the largest integrated construction group in China and Asia, we are committed to improving construction technique, strengthening quality controls and enhancing the standard of project management to create a brighter prospect for shareholders and a better living environment for the general public." - offer full range of related services - supply raw materials, machinery, equipment - five largest suppliers in aggregate accounted for less than 30 % of the total	- party building	 environmental protection public welfare activities

					purchases					
				-	acquisitions take place					
Deutsche Bahn AG	"Principle:	-	internationalizing	Gu	iding principles	-	e.g. 'Railteam'	-	Energy effic	ciency
	being a leading mobility		network of all	-	profitable market leader	-	cooperation	-	Reducing	environmental
	and logistic company,		transport modes	-	top employer: wins and		with other		pollution	
	becoming the leading one,	-	developing end-to-end		builds loyalty with qualified		transport			
	convincing customers,		travel, logistical chains		employees		companies			
	employees and owners"		across all modes of	-	eco-pioneer	-	some			
			transport	-	competitive prices		acquisitions			
				-	customer-oriented					
				-	employee satisfaction to					
					satisfy customers					
				-	being progressive:					
					flexibility, willingness to					
					learn, quality					
				-	continuous improvements					
				-	innovative solutions for new					
					market opportunities					
				-	working across boundaries					
					to achieve goals					
				-	reliable provision of service					
Deutsche	None explicitly stated	_	quality, innovation,	"V	alue:	_	strategically	-	environmer	nt, social

Lufthansa AG	safety, reliability	-	We will continue to write	important	projects, education, sports,
	- being strategically		our success story as one of	cooperation	culture
	prepared to economic		the most attractive and	treaties	
	ups- and downs		profitable aviation groups	- alliances (Star	
	- Sustainable value		with a global network and	Alliance,	
	creation		range of services.	Lufthansa	
	- R&D: biofuels, fuels,	-	We offer our customers	Regional,	
	aircraft concepts,		excellent quality and	Partner	
	engines		innovative service in all	airlines)	
	- Incentives: bonus		segments.		
	programs, trainings,	-	We systematically align the		
	internationalization of		profile of our processes and		
	employees		products with the needs of		
	- internal		our customers and their		
	communication with a		demand patterns today, and		
	platform		as they are revealed for the		
	- competitive price- and		future.		
	cost structure	-	We offer our customers,		
	- some agencies sell		shareholders and staff		
	tickets		attractive, long-term		
			prospects.		
		-	We will continue to grow		
			profitably: organically, in		

			partnerships and by		
			acquisitions.		
			- We feel bound to create		
			value."		
American Airlines,	None explicitly stated	- subject to change	Core values:	- belongs to the	High-priority issues
Inc.		- dependent on laws and	integrity, compliance with the	ʻoneworld	- customer safety and
		regulations	law, respect for the individual	Alliance'	security
		- cost reduction efforts	and the unique customs and	- has codeshare	- customer service and
		- acquisitions take place	cultures in communities where	partners, joint	satisfaction
		- selling with agencies	they operate	business	- diversity and inclusion
		- marketing		agreements	- energy use
		relationships with		and regional	- greenhouse gas emissions
		airlines, rail companies		affiliates	- impact on communities
					- labor and union relations

Sources: See China Railway Group Limited Interim Report (2010); China Railway Group Limited Annual Report 2010 (2010); http://www.crec.cn/en/tabid/176/Default.aspx 11/30/2011; http://www.crec.cn/en/tabid/1490/Default.aspx (n.d.), 12/22/2011; http://www.crec.cn/en/tabid/321/Default.aspx (n.d.), (n.d.), http://www1.deutschebahn.com/contentblob/1582720/leitbild dbag de/data.pdf (2011), 11/29/2011; http://www.deutschebahn.com/file/2212818/data/konzernleitbild.pdf (2012), 10/09/2012; http://www1.deutschebahn.com/ecm2-db-en/ir/dbgroup/factsheet e.html; jsessionid=D6B06F868A934E98830E24F00304F0AC.ecm-ext-cae-slave1berka (2011), 12/13/2011; http://www1.deutschebahn.com/ecm2-db-en/ir/dbgroup/sustainability.html (2011), 12/13/2011; http://www.deutsch de/ir/db konzern/geschaeftsfelder/fernverkehr.html (2011), 12/13/2011; http://konzern.lufthansa.com/de/unternehmen/unternehmensprofil.html (n.d.), 11/29/2011; http://berichte.lufthansa.com/2010/ar/groupmanagementreport/groupstrategy/value.html?cat=m (n.d.), 12/22/2011; http://konzern.lufthansa.com/de/allianzen.html (n.d.), http://www.aa.com/i18n/amrcorp/newsroom/alliances-and-affiliates.jsp 11/29/2011; 12/22/2011; Lufthansa Geschäftsbericht 2010 (2010);(n.d.),

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https://www.aa.com/i18n/aboutUs/corporateResponsibility/profile/ethics-and-compliance.jsp (n.d.), 12/22/2011; AMR Corporation 2010 Annual Report (2010); http://www.aa.com/i18n/aboutUs/corporateResponsibility/ourApproach/materiality-analysis.jsp (n.d.), 12/02/2011.

Table B.4.2: Transport and Travel employees and financial data.

	Employees	Financial data in \$
China Railway		Revenue:
Group Limited	2010: 285,045	2010: 456,102 million RMB / 66,773 million \$
	2009: 276,150 ¹⁵²	2009: 334,045 million RMB / 48,871 million \$
	2008: 266,398 ¹⁵³	2008: 225,029 million RMB / 31,089 million \$
Deutsche Bahn AG		Revenue:
	2010: 276,310	2010: 34,410 million € / 46,061 million \$
	2009: 239,382	2009: 29,335 million € / 42,022 million \$
	2008: 240,242	2008: 33,452 million € / 46,813 million \$

¹⁵² Note: Fiscal year 2009.

¹⁵³ Note: Fiscal year 2008.

Deutsche Lufthansa		Operating revenue:		
AG	2010: 117,066	2010: 27,324 million € / 36,576 million \$		
	2009: 112,320	2009: 22,283 million € / 31,920 million \$		
	2008: 108,123	2008: 24,842 million € / 34,764 million \$		
American Airlines,		Revenue:		
Inc.	2010: 78,250	2010: 22,170 million \$		
	2009: 78,900	2009: 19,917 million \$		
	2008: 84,100	2008: 23,766 million \$		

Sources: See China Railway Group Limited Annual Report 2010 (2010); Fortune Global 500 CRR (2010); Fortune Global 500 CRR (2009); Deutsche Bahn DB Mobility Logistics Daten und Fakten 2010 (2010); http://konzern.lufthansa.com/de/unternehmen/unternehmensprofil.html (n.d.), 11/29/2011; http://investor-relations.lufthansa.com/de/fakten-zum-unternehmen/kennzahlen/konzern.html (n.d.), 11/29/2011; Lufthansa Geschäftsbericht 2010 (2010); http://berichte.lufthansa.com/2010/gb/weitereinformationen/zehn-jahres-uebersicht.html (n.d.), 12/22/2011; AMR Corporation 2008 Annual Report (2008); AMR Corporation 2010 Annual Report (2010); http://phx.corporate-ir.net/phoenix.zhtml?c=117098&p=irol-fundsnapshot (n.d.), 11/29/2011.

Table B.5.1: Post.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Japan Post Group	Group Management philosophy: "Stressing the security and confidence that Japan Post, as a public organization, has fostered, the Group, as a private corporation, will demonstrate creativity and efficiency to the greatest extent possible, meet customers' expectations, raise customer satisfaction and grow together with customers. The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society	Group management policy: - duly consider customers' viewpoints, exercise creativity, provide through nationwide network a selection of products and services that customers appreciate - establish effective corporate governance, compliance programs, including internal audits, internal controls. - maintain transparency of operations through timely and proper disclosure of information, appropriate use of intra-group transactions, other activities	Charter of corporate conduct - earn customers' trust - ethical standards - priority on coexistence - create value - source of change - dependability: comply with laws, regulations, other standards of behavior, to earn trust of markets, shareholders, employees, consistently serve as responsible corporate citizen - innovation: We will	- Minister of Finance (who is the 100% shareholder)	- response to Japanese earthquake and Tsunami victims

and the region."	- create opportunities for all	constantly use
	employees, business	innovative ideas to
	partners, community to	improve our
	grow, develop through	management and
	mutual cooperation	business activities in
	- having own Post offices,	response to input from
	Internet	customers
	- marketing department	- changes in market
	- providing the best possible	conditions
	services	- efficiency: pursue
	- production of stamps	improvements in speed
		and efficiency to be a
		source of products and
		services, match
		customers'
		requirements
		- expertise: work
		continually on
		upgrading expertise in
		specialized fields with
		aim of meeting high
		expectations of
		customers

Deutsche Post DHL	Vision:	Strategy 2015:	- being proactive	- outstanding	- e.g. DPDHL – We Help
	"We have to improve if we	three core objectives:	- enabling customers to	competitive	Each Other, registered
	want to maintain long-term	- being provider of choice for	be flexible	position	non-profit association in
	relationships with our	customers (offer customers	- offering the best		Germany
	employees, customers and	services that make lives	available solution		- protecting the
	shareholders. And we can	easier, lasting value)	- respecting and		environment
	improve tremendously if we	- being attractive investment	understanding cultures		- education
	systematically address our	for shareholder	- bundled products and		- help where help is
	weaknesses."	(transparency, improved	services and purchased		needed
	Goal:	profitability, organic	all-inclusive packages		
	"Our goal is to remain Die	growth)	from high-performance		
	Post für Deutschland as well	- being the employer of	suppliers both		
	as The logistics company for	choice for staff (becoming	regionally and		
	the world."	provider, investment,	internationally		
		employer of choice;	- some acquisitions take		
		attractive career	place		
		development opportunities,	- retail outlets and sales		
		safe and healthy working	points		
		environment, inspiring	- sales Effectiveness		
		exchange of ideas)	programme to improve		
		- two-tier structure with	performance of sales		
		MAIL and DHL	organization by		
		- tighter links between the	bolstering sales		

			t	hree DHL division	ons		processes and				
			- t	he simplifica	tion of	-	customer support				
			ŗ	lanning processe	es	-	cost-effective solution				
			- a	n even more int	ense focus	-	joint-ventures				
			(on the shifting	needs of	-	internal and outsourced				
			C	ustomers			production				
			- 1	ogistics	and	-	no R&D in a narrower				
			C	ommunication s	ervices are		sense				
			(offered							
			- p	aper-based an	d online						
			ľ	narketing							
United States Postal	-	provide secure, reliable,	Four	key strategy:		Vis	sion rests on three major	_	being market-		supporting by informing,
Service		affordable universal	- t	ecome leaner,	smarter,	stra	ntegies:		dominant and		donating and providing
		delivery service	f	aster organization	n	-	Focus on what matters		competitive		with work force
	-	be a sustainable leader	- s	trengthen b	usiness-to-		most to customers	-	have competitors	-	environmental protection
			C	ustomer channel		-	leverage strengths to	-	providing		
			- i	mprove	customer		create customer value,		contracting		
			e	xperience			profits to invest in		opportunities		
			- (ompete for	package		continued improvement		to small, minority-		
			ł	ousiness		-	embrace change,		owned and		
			- S	eek greater fle	xibility to		respond to emerging		women-owned		
			i	nnovate products			customer needs, rapidly		businesses		
		_	- t	etter meet	changing		evolving business				

customer demands, while	environment	
tapping into new sources of	- selling online, on-	
revenue	demand services at	ļ
- cost benefits through supply	kiosks, partnerships	ļ
chain management	with retailers; closing	ļ
initiatives to improve	facilities	
contracting processes,	- continuous workforce	
integrate asset management,	planning to optimize	
leverage supplier	mix of employees,	
relationships, expand	recruiting highly-	
supplier outreach and	qualified workforce,	
diversity	providing competitive	
•	compensation and	
	benefits, and by	
	offering effective job-	
	based training and	
	career development	

Sources: See http://www.japanpost.jp/en/corporate/about/ (2011), 01/04/2012; March 31, 2011 Japan Post Group Annual Report (2011); http://www.dp-dhl.com/de/ueber_uns/auf_einen_blick/die_marke_dhl.html (2010), 01/04/2012; http://www.dp-dhl.com/en/responsibility/employees/strategy_and_employer_value_proposition.html (2011), 01/04/2012; http://www.dp-dhl.com/en/about_us/strategy.html (2011), 01/04/2012; Annual Report 2010 Deutsche Post DHL (2010); http://about.usps.com/transforming-business/vision2013.htm (2012), 01/16/2012; Foundation For The Future, 2010 Comprehensive Statement on Postal Operations, 2010 Performance Report and 2011 Performance Plan (2010); http://about.usps.com/who-we-are/postal-facts/welcome.htm#top (2012), 01/09/2012; http://about.usps.com/suppliers-diversity/statement.htm (2012), 01/09/2012.

Table B.5.2: Post employees and financial data.

	Employees	Financial data in \$
Japan Post Group		Net income:
	03/2011: 3,301	03/2011: 418,929 million \(\frac{1}{2}\) / 5,027,148 million \(\frac{1}{2}\)
	03/2010: 3,251	03/2010: 450,220 million \(\frac{1}{2}\) / 4,817,354 million \(\frac{1}{2}\)
	03/2009: 3,332	03/2009: 422,793 million ¥ / 4,270,291 million \$
Deutsche Post DHL		Revenue:
	2010: 418,946	2010: 51,481 million € / 68,912 million \$
	2009: 424,686	2009: 46,201 million € / 66,183 million \$
	2008: 451,515	2008: 54,474 million € / 76,231 million \$
United States Postal		Operating revenue:
Service	2010: 671,687	2010: 67,052 million \$
	2009: 712,082	2009: 68,000 million \$
	2008: 765,088	2008: 74,900 million \$

Sources: See Japan Post Group Annual Report (2009); Japan Post Group Annual Report (2010); Japan Post Group Annual Report (2011); http://www.japanpost.jp/en/corporate/about/ (2011), 01/04/2012; http://www.dp-dhl.com/en/responsibility/employees/strategy_and_employer_value_proposition.html (2011), 01/04/2012; Annual Report 2010 Deutsche Post DHL (2010); United States Postal Service Financial Report 2011 (2011); http://about.usps.com/who-we-are/postal-facts/welcome.htm (2012), 01/16/2012.

Table B.6.1: Media.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Vivendi SA	- best emotions, digitally	- innovation as core of development strategy - offering competitive prices - co-productions - R&D policy primarily focuses on innovations in new services, new uses and new technologies - world leader in communications, entertainment,	7 key values: consumer focus, cultural diversity, value creation, creativity, teamwork, ethics, social responsibility - organic growth, acquisitions - strengthening contacts with various partners, including, in 2010, through presentations of its policy - creating innovative new services	- explain their competitive advantage	 compliance program with general ethics rules youth projects

active throughout	- development
entire network	strategy includes
chain, from	strengthening
production and	existing
publishing of	businesses,
content	implementing
(video games,	synergies among
music,	entities when they
audiovisual	create value, and
works and films)	expanding
to distribution,	presence in high-
primarily via	growth territories
digital networks	or in operations
- distribution	related to its
partnerships	businesses that
	show high-growth
	potential
	- value creation
	- sustainable
	development
	policy, growth
	- commitment to
	customers,

			shareholders,		
			employees,		
			suppliers, public		
			authorities, society		
			at large		
The Walt Disney	None explicitly stated	- produce	- creating	site for Business to	- environment and conservation
Company		unparalleled	shareholder value	Business: advertise with	- charitable contributions to
		entertainment	- licenses, online	Disney, supplier	community
		experiences	distribution	information	
		- based on the rich	- talented and	- acquisitions to	
		legacy of quality	motivated people	strengthen portfolio	
		creative content	- optimizing costs		
		- exceptional	- facing challenges		
		storytelling	- obtaining HRM		
			- offering great		
			service		
SoftBank Corp.	Vision:	- sought to use the	- increase returns to	- want to evolve	- seven CSR directions: for
	"to bring happiness and give	Information	shareholders	together with	customers, shareholders,
	inspiration to people"	Revolution to	- R&D	business partners	employees, business partners,
	philosophy is to "endeavor to	contribute to	- employees	- strategic partnerships	a healthy internet society, for
	benefit society and the	wellbeing of	maintain high	- joint-ventures	the next generation as well as
	economy and maximize	people, society	ethical standards,		for the future of the planet
	enterprise value by fostering	- acquisitions	take responsibility		

the	e sharing of wisdom and	- relatively sticked	in executing daily	
kn	nowledge gained through	to suppliers in	duties	
the	e IT revolution" under the	short run		
fu	indamental concept of "free,			
fai	ir, innovative."			
"В	Based on this philosophy,			
the	e SOFTBANK Group will			
fui	alfill its obligations to			
so	ociety while enhancing its			
ma	anagement organization to			
bu	uild a solid foundation for			
rai	ising the Group's enterprise			
va	alue."			

Sources: See Annual Report Vivendi (2010), http://www.vivendi.com/vivendi/Our-Values# (2010), 12/05/2011; http://www.vivendi.com/vivendi/Compliance-Program# (2011), 12/05/2011; http://www.vivendi.com/vivendi/Strategy# (2011), 12/05/2011; http://www.vivendi.com/vivendi/Sustainable-development- (2011), 12/12/2011; http://corporate.disney.go.com/corporate/overview.html 12/05/2011; http://corporate.disney.go.com/corporate/cr indices.html (n.d.), 12/12/2011; (n.d.), http://corporate.disney.go.com/corporate/business.html (n.d.), 12/12/2011; http://corporate.disney.go.com/citizenship/environment.html 12/05/2011; (n.d.), http://corporate.disney.go.com/citizenship/community.html (n.d.), 12/05/2011; SoftBank Annual Report 2011 (2011); http://www.softbank.co.jp/en/info/vision/policy/ (n.d.), 12/05/2011; http://www.softbank.co.jp/en/initiatives/csr/dealer/ (n.d.), 12/12/2011; http://www.softbank.co.jp/en/initiatives/csr/ (n.d.), 02/03/2012.

Table B.6.2: Media employees and financial data.

	Employees	Financial data in \$
Vivendi SA	Full time:	Revenues:
	2010: 54,561	2010: 28,878 million € / 38,656 million \$
	2009: 48,210	2009: 27,132 million € / 38,867 million \$
	2008: 44,243	2008: 25,392 million € / 35,534 million \$
The Walt Disney		Net sales:
Company	2010: 149,000 ¹⁵⁴	2010: 38,100 million \$
	2009: 144,000 ¹⁵⁵	2009: 36,100 million \$
	2008: 150,000 ¹⁵⁶	2008: 37,800 million \$
SoftBank Corp.		Net sales: ¹⁵⁷
	03/2011: 21,799	03/2011: 3,004,640 million ¥ (36,135 million \$)
	03/2009: 21,885	03/2010: 2,763,406 million \((33,234 million \(\))
	03/2008: 21,048	03/2009: 2,673,035 million \(\pm\) (32,147 million \(\pm\))

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¹⁵⁴ Note: Fiscal year ended 30/09/2010.

¹⁵⁵ Note: Fiscal year ended 30/09/2009.

¹⁵⁶ Note: Fiscal year ended 30/09/2008.

¹⁵⁷ Note: Exchange rate used in the Annual Report: 83.15 Yen to 1\$.

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Sources: See Annual Report Vivendi (2009); Annual Report Vivendi (2010); The Walt Disney Company 2009 year in review (2009); The Walt Disney Company Fiscal Year 2010 Annual Financial Report And Shareholder Letter (2010); Fortune Global 500 DIS (2011); Fortune Global 500 DIS (2010); Fortune Global 500 DIS (2009); http://www.softbank.co.jp/en/info/profile/data/ (n.d.), 12/05/2011; SoftBank Annual Report 2011 (2011); http://www.softbank.co.jp/en/irinfo/finance/highlight (n.d.)/, 12/12/2011.

Table B.7.1: Telecommunication.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
AT&T Inc.	- concentrate strategic focus on opportunities flowing from mobile broadband - driving innovation - empowering people, communities	"Intelligence rethinking how we live and work. Connections bringing people together, making them more productive. Ideas collaborating to drive innovation."	- open innovation environment - convergence of intelligence, connectivity and ideas - collaborate to drive innovation (workforce) - different price levels to differentiate from competitors - research on new technologies - high-quality services	- leadership	 people and community environment technology

			- not easy to		
			compensate		
			supplier problems		
			- development of		
			distribution		
			channels		
			- continuous		
			improvements		
			- attractive products		
			and services		
			- cost management		
			- effective marketing		
			- offering		
			breakthroughs to		
			customers		
Nippon Telegraph	Basic Philosophy:	- advances in	CSR goals:	- cooperative ventures - Japan earthq	quake help
and Telephone	- "raising the effectiveness	broadband	- Communication	with business - green vision	2020
Corporation	of corporate governance	network	between people	partners	
	is an important	- Growth in upper	and their	- manufacturers	
	management issue for	layer services	communities	- some acquisitions	
	meeting the expectations	- Expansion in	- Safe and secure		
	of various stakeholders,	borderless	communication		
	including shareholders	businesses	- Team NTT		

	and other investors, as	- High-quality	communication		
	well as customers,	services	- Communication		
	business partners, and	- Distribution	between people		
	employees, and for	platforms	and the global		
	maximising corporate	- Technical and	environment		
	value''	technological	- E.g. software		
	- "NTT Group is working	innovation	production		
	to strengthen corporate		- R&D		
	governance based on its				
	fundamental policies of				
	ensuring sound				
	management, conducting				
	appropriate decision-				
	making and business				
	activities, clarifying				
	accountability, and				
	maintaining thorough				
	compliance."				
Deutsche Telekom	- "One of the world's	Fix, transform,	Company values:	- partnerships and	- social and environmental
AG	leading integrated	innovate strategy:	- customer delight	joint-ventures to	responsibility
	telecommunications	- further stabilize	drives actions	produce new services	
	companies"	traditional fixed	- respect, integrity	and offerings	
	_	and mobile access	guide behavior		

- open up, Team apart"	
expanding new - best place to	
growth areas perform, grow	
- multiple product - "I am T – Count on	
company me"	
- R&D costs: - fairly priced	
software products	
development and - reliable, user-	
university friendly products,	
cooperations service and	
network quality	

Sources: See AT&T Inc. 2010 Annual Report (2010); http://www.att.com/gen/landing-pages?pid=7735 (2012), 03/23/2012; Nippon Telegraph and Telephone Corporation Annual Report 2011 (2011); Deutsche Telekom AG Annual financial statements as of December 31, 2010 (2010); http://www.telekom.com/company/at-a-glance/64478 (2012), 03/23/2012; http://www.telekom.com/company/at-a-glance/strategy/64472 (2012), 03/23/2012; http://www.telekom.com/corporate-values/64474 (2012), 03/23/2012; http://www.telekom.com/corporate-responsibility/cr-strategy-and-management/fields-of-activity/64728 (2012), 03/23/2012.

Table B.7.2: Telecommunication employees and financial data.

	Employees	Financial data in \$			
AT&T Inc.		Operating revenues:			
	2010: 266,590	2010: 124,280 million \$			
	2009: 282,720	2009: 122,513 million \$			
	2008: 302,660	2008: 123,443 million \$			
Nippon		Total operating revenues:			
Telegraph and	03/2011: 219,343	03/2011: 11,867.7 billion ¥ / 142,412 million \$			
Telephone	03/2010: 194,982	03/2010: 11,773.4 billion ¥ / 125,975 million \$			
Corporation	03/2009: 196,296	03/2009: 12,120.7 billion ¥ / 122,419 million \$			
Deutsche		Net revenues:			
Telekom AG	2010: 37,421	2010: 4,269 million € / 5,714 million \$			
	2009: 50,369	2009: 18,220 million € / 26,100 million \$			
	2008: 49,431	2008: 18,201 millon € / 25,470 million \$			

Sources: See AT&T Inc. 2010 Annual Report (2010); Nippon Telegraph and Telephone Corporation Annual Report 2009 (2009); Nippon Telegraph and Telephone Corporation Annual Report 2011 (2011); Deutsche Telekom AG Annual financial statements as of December 31, 2009 (2009); Deutsche Telekom AG Annual financial statements as of December 31, 2010 (2010).

Table B.8.1.: Aircraft.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
The Boeing Company	Vision: "People working together as a global enterprise for aerospace leadership."	 run healthy core businesses leveraging strength into new products, services opening new frontiers 	Values: leadership, integrity, quality, customer satisfaction, people working together, diverse and involved team, corporate citizenship, enhancing shareholder value - continually learn, share ideas and knowledge - encourage cooperative efforts at every level and across all activities - research - extensive qualification and performance surveillance system; dependent upon the ability of a large number of suppliers and subcontractors - extensive customer support services network	- especially with colleges and universities - three acquisitions in 2010 - joint-ventures	 environment education health and human services arts and culture civic engagement

			- continuing cost reduction efforts		
EADS	"2020 strategic goals: being	Vision 2020:	Competitive advantage: deliver best	- competing fairly	- responsible sourcing
Group	the worldwide leader in air	- better balance between:	of European technology, serve needs	(according to	- donating and supporting
	and space platforms and	- platforms, services	for mobility and security	competition laws)	communities
	systems"	- commercial aircraft,	- building positive working	- fair relationships	- humanitarian aid, sports,
		other activities	climate	with suppliers	museums
		- European roots and	- ensuring sustainable	- obtain specific	
		global footprint	profitability, focusing on value	approvals for	
		- becoming eco-efficient	creation;	merger and	
			- delivering products and services	acquisition projects,	
			that meet expectations	creation of joint-	
			- growing together in extended	ventures	
			enterprise		
			- supporting balanced local		
			development		
			- dependent on innovation		
			- making compliant, ethical		
			decisions		
			- R&D plays important role		
			- speak-up culture and open		
			communication		
			Communication		

Aviation	- commits to contribu	te -	merging	-	philosophy of commitment and	-	state that they have	-	e.g. Olympic Games, Expo
Industry	to the nation wi	h -	being innovative		integrity, innovative and		no competitors,		Shanghai
Corp. of	aviation industr	y, -	building an integrated		preeminent		only partners	-	earthquake help
China	strengthen the milita	y	network, creating brand	-	trinity of branding, business	-	strategic		
	forces and enrich t	ie	value		model, integrated network		cooperation		
	people	-	financial goals	-	market-oriented reform, center-		agreements with		
	- challenge the reven	ie -	International expansion		of-excellence-based integration,		banks		
	target of one trillion	y			capital operation, globalization-				
	the end of 2017				based development, industrial-				
					scale-based growth				
				-	provides military and				
					commercial products and				
					services (including aviation				
					products research and				
					development, aviation				
					transportation service, new				
					energy, heavy machinery,				
					special vehicle and electric				
					information products)				
				-	inspired to advance bravely				

Sources: See The Boeing Company 2010 Annual Report (2010); http://www.boeing.com/aboutus/culture/index.html (n.d.), 11/28/2011; http://www.boeing.com/educationrelations/index.html (n.d.), 11/28/2011; Boeing Corporate Citizenship (2011); http://www.globalsecurity.org/military/world/china/avic.html (n.d.), 12/05/2011; http://www.eads.com/eads/int/en/our-company/our-strategy/vision-

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2020.html (n.d.), 11/29/2011; http://www.efw.airbus-group.com/efw/germany/en/company/EHS.html (2010), 12/20/2011; http://www.efw.airbus-group.com/efw/germany/en/company/en/company/EADS-Sponsorship.html (n.d.), 12/20/2011; http://www.avic.com/cn/EnglishVersion/InvestorRelations/index.shtml (n.d.), 12/21/2011; http://www.avic.com/cn/EnglishVersion/FromthePresident/index.shtml (n.d.), 12/21/2011.

Table B.8.2: Aircraft employees and financial data.

	Employees	Financial data in \$					
The Boeing		Revenue:					
Company	2010: 160,537	2010: 64,306 million \$					
	2009: 157,073	2009: 68,281 million \$					
	2008: 162,191	2008: 60,909 million \$					
EADS Group		Revenue:					
	2010: 121,691	2010: 45,752 million € / 61,244 million \$					
	2009: 119,506	2009: 42,822 million € / 61,343 million \$					
	2008: 118,349	2008: 43,265 million € / 60,545 million \$					

Aviation Industry		Revenue:
Corp. of China	2010: 404,042 ¹⁵⁸	2010: 31,006 million \$ ⁴⁹⁰
	2009: 390,254 ¹⁵⁹ 2008: 383,439 ¹⁶⁰	2009: 25,189 million \$ [191 billion RMB] 2008: 21,738 million \$ 492

Sources: See

http://www.boeing.com/aboutus/employment/employment table 2010.html

(n.d.),

12/20/2011;

http://www.boeing.com/aboutus/employment_table_2009.html

(n.d.),

12/20/2011;

http://www.boeing.com/aboutus/employment_table_2008.html,(n.d.) 12/20/2011; Flight into the Future, EADS 2010 at a glance (2010); The Boeing Company 2010 Annual Report (2010); http://www.globalsecurity.org/military/world/china/avic.htm (n.d.), 12/05/2011; http://www.avic.com/cn/EnglishVersion/Strength/index.shtml (n.d.), 12/21/2011; Fortune Global 500 AVIC (2011); Fortune Global 500 AVIC (2010); Fortune Global 500 AVIC (2009).

<sup>Note: Fiscal year 2010.
Note: Fiscal year 2009.
Note: Fiscal year 2008.</sup>

Table B.9.1: IT and Electronics.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Hewlett-Packard	"At HP, our mission is to	- encounter	Corporate objectives:	- partnerships with	- improving healthcare
Company	innovate at every touchpoint	aggressive	- Customer loyalty	other leading	- increasing access to education
	of information—from	competition	- Profit	technology	- Environmental sustainability
	creation to capture, from	"Compete primarily	- Growth	companies	
	management to delivery, and	on the basis of	- Market leadership	- channel partners	
	all the collaboration that goes	technology,	- Commitment to	- retail, distribution	
	on in	performance, price,	employees	and reseller partners	
	between. We create the	quality, reliability,	- Leadership	- continue to build	
	solutions that transform data	brand, reputation,	capability	portfolio through	
	into value, bytes into	distribution, range of	- Global citizenship	acquisitions	
	experiences, and noise into	products and services,	- Hiring and	- use multiple outside	
	knowledge. We drive that	ease of use of our	retaining qualified	manufacturers to	
	innovation at an unmatched	products, account	personnel	maintain flexibility in	
	scale to advance human	relationships,	- Competitive	supply chain and	
	progress."	customer training,	compensation	manufacturing	
		service and support,	packages	processes	
		security and		- strategic alliances,	

		availability of		joint-ventures with	
		application software		complementary	
		and our Internet		businesses	
		infrastructure			
		offerings"			
Siemens AG	To be a pioneer in	- excellent	Values:	- cooperation	- Siemens foundations to
	- energy efficiency	competitive	Responsible, excellent,	agreements with	provide long-term benefit to
	- industrial productivity	position	innovative	Russian partners in	society
	- affordable and	- focusing on	- being global	the field of rail	- protecting environment
	personalized healthcare	innovation- and	powerhouse	technology and wind	- promoting education
	- intelligent infrastructure	technology-driven	- forging ahead into	power	- promoting arts and culture
	solutions	growth markets	uncharted territory	- cooperations to	
		- strengthening	by developing,	ensure ethical	
		global presence to	marketing and	business practices	
		be strong local	integrating	- with partner	
		partner to	leading-edge	universities and other	
		customers around	products and	research partners	
		the world	solutions tailored	- cooperation with	
		- teaming up to use	to today's	suppliers	
		the power of	requirements	- Acquisitions	
		Siemens	- conviction, passion	1	
		- capital-efficient	 pilot production, 		
		growth	series production		

		Directions:	- sustainable human		
		"Focus on innovation-	resources policy		
		and technology-driven	focuses on		
		growth markets	diversity, learning		
		Get closer to our	and continuing		
		customers worldwide	education,		
		– through local	supporting high		
		entrepreneurship and	performance		
		local value creation	culture,		
		Use the power of	occupational health		
		Siemens to further	and safety		
		outpace our			
		competitors"			
Panasonic	Brand slogan:	Strategy after	- sustained growth	- cooperation with	- vision of becoming the No. 1
Corporation	"Panasonic ideas for life."	reorganization:	in corporate value	industry and	Green Innovation Company in
		- pursuing lean,	to satisfy	academia	the Electronics Industry
	Basic management	speedy, global	shareholders,	- sales partnerships	
	philosophy:	operations	investors,	- partnership with	
	"The mission of an enterprise	- unifying	customers,	Nokia Siemens	
	is to contribute to the	corporate brand	business partners,	Networks for a	
	progress and development of	into Panasonic,	employees, other	special product	
	society and the well-being of	enhancing brand	stakeholders		
	people worldwide."	value	- Panasonic is		

	- aiming to grow	proactively	
"Panasonic's mission is to	further to become	developing a	
advance new concepts	global excellent	nationwide sales	
regarding the life and image	company	network	
of society."		- worldwide R&D	
		sites	
		- optimizing	
		production	
		- increase cost	
		competitiveness	

Sources: See 2010 HP Annual Report (2010); http://www8.hp.com/us/en/hp-information/about-hp/corporate-objectives.html (2012), 20/02/2012; Annual Report 2010 Siemens (2010); Panasonic Annual Report 2011 (2011).

Table B.9.2: IT and Electronics employees and financial data.

	Employees	Financial data in \$				
Hewlett-		Net revenue:				
Packard	10/2010: 324,600	2010: 126,033 million \$				
Company	10/2009: 304,000	2009: 114,552 million \$				
	10/2008: 321,000	2008: 118,364 million \$				
Siemens AG		Revenues:				
	2010: 405,000	2010: 75,978 million € / 101,704 million \$				
	2009: 405,000	2009: 76,651 million € / 109,803 million \$				
	2008: 428,000	2008: 77,327 million € / 108,211 million \$				
Panasonic		Total net sales:				
Corporation	03/2011: 366,937	03/2011: 8,692,672 million \(\frac{1}{2}\) / 104,312 million \(\frac{1}{2}\)				
	03/2010: 384,586	03/2010: 7,417,980 million \(\frac{1}{2}\) / 79,372 million \(\frac{1}{2}\)				
	03/2008: 292,250	03/2009: 7,765,507 million ¥ / 78,432 million \$				

Sources: See 2008 HP Annual Report (2008); 2009 HP Annual Report (2009); 2010 HP Annual Report (2010); Annual Report 2009 Siemens (2009); Annual Report 2010 Siemens (2010); Panasonic Annual Report 2011 (2011).

Table B.10.1: Electrics.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
General Electric Company	"GE's value is more than the sum of its parts. GE is an innovative, advanced technology infrastructure and financial services company with the scale, resources and expertise to solve tough global problems for customers and society. We are a competitive force for change."	 strengthen presence in key growth markets growth starts here 	 creating, bringing big ideas to life commitment to integrity long-term and short-term incentives customer satisfaction create long-term shareholder value focus on affordable innovation technical leadership promote a culture 	 committed to sustaining technical investment ahead of the competition partnerships with key global players, e.g. AVIC strategic acquisitions global research network 	 long-term focus on clean energy through 'ecomagination' initiative addressing the cost, quality and access of healthcare thorough 'healthymagination' initiative

			that demands		
			financial		
			accountability		
			- customer service		
			grew		
Samsung	Vision 2020:	Five principles:	Key strengths:	- mostly with non	- social welfare
Electronics	"Inspire the World, Create	- "We care for the	- new Technology	related companies -	culture and arts
	the Future."	environment, health	- innovative	(Apple, Twentieth -	volunteer services
	Business philosophy:	and safety.	Products	Century Fox) -	- academics and education
	"to devote our talent and	- We maintain a	- creative Solutions	- acquisitions	
	technology to creating	clean	- promoting new	- some parts are sold	
	superior products and	organizational	value for core	by third parties	
	services that contribute to a	structure	networks (- differentiated	
	better global society."	- We comply with	Industry, Partners,	product	
		laws and ethical	Employees)	competitiveness,	
		standards.	- improving cost	leadership	
		- We respect	efficiencies	- aggressive marketing	
		customers,		- distinctive cultural	
		shareholders and		and emotional	
		employees.		marketing	
		- We are socially			
		responsible			
		corporate citizen."			

Robert Bosch	Vision: "Creating value -	-	internationalization,	-	core competencies	-	strive for sustained	-	social and	environmental
GmbH	sharing values"		a strong global		in automotive and		economic success		responsibility	
	- take advantage of global		presence		industrial		and a leading market	-	projects that	make business
	opportunities for strong,	-	focused		technologies		position		and technolog	y accessible to
	meaningful development		diversification	-	future and result	-	cooperations esp. in		children and ad	lolescents
	- enhance quality of life	-	innovation		focus		the field of			
	with solutions that are			-	responsibility		automotive			
	both innovative and			-	initiative and		technology			
	beneficial				determination	-	cooperations with			
	- entrepreneurial freedom,			-	openness and trust		research institutes			
	financial independence			-	fairness	-	acquisitions			
	- innovative strength,			-	reliability,	-	sales and service			
	efficiency reliability,				credibility and		partners			
	quality of work				legality					
				-	cultural diversity					
				-	focus on trends					
					and customer					
					needs					
Sources: See	GE 2010 Annua	al	Report (201	0);	http://www.ge.co	m/c	ompany/culture/index.htr	ml	(2012),	02/21/2012;
http://www.samsung.co	m/us/aboutsamsung/corporatepr	ofile	valuesphilosophy.htm/	1			(2012),			01/04/2012;
http://www.samsung.com/us/aboutsamsung/corporateprofile/vision.html (2012),						(2012),			01/04/2012;	
http://www.samsung.co	http://www.samsung.com/us/function/search/espsearchResult.do?input_keyword=cooperation&keywords=cooperation (2012), 02/15/2012;									02/15/2012;
http://www.samsung.co	http://www.samsung.com/us/aboutsamsung/citizenship/ourcitizenshipfocus.html (2012), 01/04/2012; Bosch Annual Report 2010 (2010).									

Table B.10.2: Electrics employees and financial data.

		Employees	Financial data in \$
General E	Electric		Revenues:
Company		2010: 287,000	2010: 150,211 million \$
		2009: 304,000	2009: 155,278 million \$
		2008: 323,000	2008: 181,581 million \$
Samsung			Sales:
Electronics		2010: 190,500 ¹⁶¹	2010: 154,630 billion KRW / 139,167 million \$
		2009: 187,800 ¹⁶²	2009: 136,324 billion / 122,692 million \$
		2008: 164,600 ¹⁶³	2008: 121,294 billion / 97,035 million \$
Robert	Bosch		Sales revenue:
GmbH		2010: 276,418	2010: 47,259 million Euro / 63,261 million \$
		2009: 274,530	2009: 38,174 million Euro / 54,684 million \$
		2008: 282,758	2008: 45,127 million Euro / 63,151 million \$

Sources: See GE 2010 Annual Report (2010); 2010 Samsung Electronics Annual Report (2010); Fortune Global 500 SSU (2011); Fortune Global 500 SSU (2011); Fortune Global 500 SSU (2010); Fortune Global 500 SSU (2009); Bosch Geschäftsbericht 2009 (2009); Bosch Annual Report 2010 (2010).

¹⁶¹ Note: Fiscal year 2010.

¹⁶² Note: Fiscal year 2009.

¹⁶³ Note: Fiscal year 2008.

Table B.11.1: Energy.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
E.ON AG	"Innovate.on Technology Initiative: Our goal is to play a leading role in the development of key energy supply technologies."	"Cleaner & better energy"	- process called OneE.ON as corporate culture - values: integrity (act honestly, ethically and legally), openness (open to new ideas and change), trust and mutual respect, courage (have the courage to act on our convictions), social responsibility - E.ON employees all over the world	- joint-ventures	 sponsorship for sports, culture, art strategic approach for more customer orientation social tariffs for people in need

			shape future		
Petrobras	Vision for 2020:	2Petrobras is driven	Values: sustainable	- intensifying	- social and environmental
	"We will be one of the five	by the challenge of	development,	partnerships with	responsibility
	largest integrated energy	supplying the energy	integration, results,	suppliers	
	companies in the world and	that can propel	readiness for change,		
	the preferred choice among	development and	entrepreneurship and		
	our stakeholders."	ensure the future of	innovation, ethics &		
		the society with	transparency, respect		
	Mission:	competency, ethics,	for life, human &		
	"Operate in a safe and	cordiality, and respect	cultural diversity,		
	profitable manner in Brazil	for diversity."	people, proud to be		
	and abroad, with social and		Petrobras		
	environmental responsibility,				
	providing products and				
	services that meet clients'				
	needs and that contribute to				
	the development of Brazil				
	and the countries in which it				
	operates."				
Suncor Energy Inc.	"Suncor Energy's vision is to	- oil sand business	- leaders in safety	- retail and wholesale	- engaged in the development of
	be Canada's leading	as cornerstone of	- people and	outlets	sustainable communities in
	integrated energy company.	growth	relationships	- selling to retail,	key operating areas
	With low-cost, reliable	- products and	- leadership by	commercial and	- principle of a triple-bottom-

operations and an excellent	services	example	industrial customers	line
suite of growth projects, we	- commitment to	- accountability	- joint-venture	
aim to successfully compete	innovation	- performance	operated retail	
globally. As we responsibly		- continuous	stations	
develop the oil sands, we are		improvement in	- long-term supply	
also investing in renewable		sustainability	agreements with	
energy – wind power and bio		- produces oil,	major customers	
fuels."		natural gas, wind-	- focusing on long-	
		generated	term shareholder	
		electricity and	interest	
		ethanol		
		- providing range of		
		benefits to		
		employees		
		- training of		
		employees		
Sources: See een Geschöftsbericht Teil	II/II Finanzbariaht	2000 (2000): http://	//www.aan.aam/da/aarnarata/3	9691 jan (2011) 12/07/2011:

http://www.eon.com/de/corporate/38681.jsp Sources: e.on Geschäftsbericht Teil II/II Finanzbericht 2009 (2009);(2011),12/07/2011; http://www.eon.com/de/responsibility/29277.jsp (2011),http://www.eon.com/de/corporate/19031.jsp 12/07/2011; (2011),12/07/2011; http://www.eon.com/de/corporate/2035.jsp (2011), 12/07/2011; http://www.eon.com/en/corporate/13798.jsp (2011), 12/08/2011; http://www.eon.com/en/about-us/corporateculture/values.html (2012), 12/07/2011; http://www.petrobras.com.br/en/environment-and-society/ (2009), 12/07/2011; http://www.petrobras.com.br/en/about-us/corporate-(2009), 12/07/2011; http://www.petrobras.com.br/en/about-us/profile/ (2009), 12/07/2011; Suncor Energy Inc. Annual Report (2010); http://www.suncor.com/en/community/654.aspx (n.d.), 12/08/2011; http://www.suncor.com/en/investor/3924.aspx (n.d.), 12/08/2011;

http://www.suncor.com/en/responsible/302.aspx (n.d.), 12/07/2011; http://www.suncor.com/en/about/164.aspx (n.d.), 12/13/2011.

Table B.11.2: Energy employees and financial data.

	Employees	Financial data in \$
E.ON AG		Sales:
	2010: 85,105	2010: 92,863 million € / 124,306 million \$
	2009: 85,108	2009: 79,974 million € / 114,563 million \$
	2008: 93,538	2008: 86,753 million € / 121,402 million \$
Petrobras		Net operating revenue:
	2010: 80,492	2010: 120,052 million \$
	2009: 76,919	2009: 91,869 million \$
	2008: 74,240	2008: 118,257 million \$
Suncor Energy		Revenues (net of royalties):
Inc.	2010: 12,076	2010: 35,220 million Canadian \$ / 35,312 million \$
	2009: 12,978	2009: 25,480 million Canadian \$ / 24,338 million \$
	2008: 6,798	2008: 28,637 million Canadian \$ / 23,502 million \$

Sources: See http://www.eon.com/de/corporate/2035.jsp (2011), 12/07/2011; http://www.eon.com/de/corporate/2040.jsp (2011), 12/08/2011; E.ON Geschäftsbericht (2010); E.ON Geschäftsbericht Teil II/II, Finanzbericht (2009); http://www.petrobras.com.br/en/about-us/profile/ (2011), 12/07/2011; Petrobras 2010 Annual Report (2010); Petrobras Form 20-f Annual Report 2010 (2010); Suncor Energy Inc. 2010 Annual Report (2010).

Table B.12.1: Gas and Oil.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Royal Dutch Shell Group	See strategy	- rapid economic development in non-OECD countries - performance in the near term - production growth in the medium term - further projects for longer term - upstream: exploring new oil and gas reserves - downstream: sustained cash generation from our existing assets and selective investments	centers - try to better understand needs of customers, partners, stakeholders throughout the world - long-term creation of shareholder value	- relationships with communities, customers, governments and non-governmental organizations - strategic external partners, such as customers and universities	 cleaner-burning natural gas bio fuels improving energy efficiency

			in growth markets	-	consistency						
		-	cost reduction								
		-	reliable and safe								
			energy supply								
ExxonMobil	Following policies:	-	long-term	-	high quality of	-	aspires to be at the	-	carbon	disclosure	project:
Corporation	Ethics Policy; Conflicts of		approaches while		employees is		leading edge of		reducing	greenhouse	e gas
	Interest Policy; Corporate		simultaneously being		company's highest		competition		emission		
	Assets Policy; Directorships		flexible		strength	-	joint-ventures				
	Policy; Gifts and			Sha	areholders						
	Entertainment Policy;			-	committed to						
	Political Activities Policy;				enhancing long-						
	International Operations				term value,						
	Policy; Antitrust Policy;				running business						
	Health Policy; Environment				profitably,						
	Policy; Safety Policy;				responsibly						
	Product Safety Policy;			Cu	stomers						
	Customer Relations and			-	success depends						
	Product Quality Policy;				on ability to						
	Alcohol and Drug Use				consistently						
	Policy, Equal Employment				satisfy ever						
	Opportunity Policy;				changing						
	Harassment in the				customer						
	Workplace Policy;				preferences,						

Procedures and Open Door	commit to be	
Communication	innovative and	
	responsive, while	
	offering high	
	quality products	
	and services at	
	competitive prices	
	Employees	
	- exceptional	
	quality of	
	workforce	
	provides valuable	
	competitive edge,	
	strive to hire and	
	retain most	
	qualified people	
	available,	
	maximize	
	opportunities for	
	success through	
	training and	
	development,	
	committed to	

			maintaining safe work environment enriched by diversity, characterized by open communication, trust, and fair	
			treatment. Communities - commit to be a good corporate citizen	
Sinopec Group	Vision: "becoming a globally competitive energy corporation" Mission: "Enterprise development, contribution to the country, Shareholder value creation, social responsibility and	 build multinational energy and chemical company global competitiveness 	Core value: Developing the company, contributing to the country, creating value for shareholders, dedicating to the society and benefiting the employees - improve customer	- philosophy of honesty & integrity for win-win cooperation - partners e.g. Shell, BP, ExxonMobil, Sinochem, McDonalds - five major suppliers with over 40 percent

Employee wellbeing"	service awareness of the total amount
	- enhance quality of purchase
	- various incentive - dealing fairly with
	schemes competitors,
	implemented and customers, suppliers
	evaluated
	- fairness,
	transparency
	- internal control:
	internal
	environment, risk
	assessment,
	control activities,
	information and
	communication
	and internal
	supervision

Sources: See http://www.shell.com/home/content/investor/news_and_library/2011_media_releases/2011_strategy_update_15032011.html (n.d.), 12/14/2011; http://sustainabilityreport.shell.com/2010/operatingresponsibly/livingbyourprinciples.html?cat=b (n.d.), 12/14/2011; http://sustainabilityreport.shell.com/2010/operatingresponsibly/ourbusinessstrategy.html?cat=b (n.d.), 12/14/2011; http://www.shell.com/home/content/aboutshell/at a glance/ (n.d.), 12/14/2011; http://exxonmobil.com/Corporate/about who sbc.aspx (n.d.), 12/05/2011; http://exxonmobil.com/Corporate/safety_climate.aspx (n.d.), 12/05/2011; http://exxonmobil.com/Corporate/files/corporate/sbc.pdf (2006), 12/05/2011; 2010 Summary Annual Report ExxonMobil (2010); http://www.sinopecgroup.com/english/socialresponsibility/Pages/default.aspx (2011), 12/22/2011; Sinopec Corp. 2010 Annual Report and Accounts (2010); http://www.sinopecgroup.com/english/corporateculture/Pages/Corporateculture.aspx (2011), 12/22/2011; http://english.sinopec.com/about sinopec/our business/our partners/ (2011), 12/22/2011.

Table B.12.2: Gas and oil employees and financial data.

	Employees	Financial data in \$			
Royal Dutch Shell		Revenue:			
Group	2010: 97,000	2010: 368,065 million \$			
	2009: 101,000	2009: 278,188 million \$			
	2008: 102,000	2008: 458,361 million \$			
ExxonMobil		Sales and other operating revenue:			
Corporation	2010: 83.6 million	2010: 370,125 million \$			
	2009: 80.7 million	2009: 301,500 million \$			
	2008: 79.9 million	2008: 459,579 million \$			
Sinopec Group		Operation income:			
2010: 373,375		2010: 1,913,182 million RMB / 280,090 million \$			
	2009: 371,333	2009: 1,345,052 million RMB / 196,781 million \$			
	2008: 358,304	2008: 1,444,291 million RMB / 205,956 million \$			

Sources: See Royal Dutch Shell plc Annual Report and Form 20-F for the year ended December 31, 2010 (2010); Royal Dutch Shell plc Annual Report and Form 20-F for the year ended December 31, 2009 (2009); 2010 Summary Annual Report ExxonMobil (2010); Sinopec Corp. 2008 Annual Report and Accounts (2008); Sinopec Corp. 2010 Annual Report and Accounts (2010).

Table B.13.1: Food and Nutrition.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Nestlé S.A.	"As the leading Nutrition, Health and Wellness Company we enhance lives by offering tastier and healthier food and beverage choices at all stages of life and at any time of the day, helping consumers care for themselves and their families. This is the foundation of our promise of Good Food, Good Life and puts nutrition at the heart of everything we do. It is our firm belief that, for a company to be successful over time and create value for its shareholders, it must	Nestlé Model: three measurable objectives - annual organic growth between 5-6 percent - year-on-year improvement of EBIT margin - improved return on invested capital	"Good Food, Good Life" Ten principles of business operations Consumers: - nutrition, health, wellness - quality assurance, product safety - consumer communication Human rights and labor Practices - human rights in business activities People - leadership, personal responsibility - Safety and health at work Suppliers and customers - supplier, customer	- define competitive advantages: unmatched product and brand portfolio, R&D capability, geographic presence; people, culture, values and attitude - joint-venture e.g. with Coca Cola Company - strengthen position through acquisitions	 cooperations with associations rural development to improve own quality environmental sustainability water

	also create value for society.		relations		
	We call this "Creating		- agriculture, rural		
	Shared Value".		development		
	Built on strong foundations		Environment		
	of compliance and		- environmental		
	sustainable business		sustainability		
	practices, this is our way to		- water		
	do business and to be the		- home-grown, local talent		
	trusted leader in Nutrition,		working		
	Health and Wellness."				
Kraft Foods	Three Ps for creating lasting	- leader in	- make food that is safe to	- partnerships of great	- sustainability goals for 2015
Inc.	change:	innovation,	eat	importance	- climate projects and reduction
	Products, Policies,	marketing, health,	- market responsibly	- acquisitions	of inputs
	Partnerships	wellness,	- respect free market		- social responsibility (e.g.
		sustainability	- compete fairly		supporting Youth
		Three strategies to drive	"We inspire trust.		Development Foundation)
		the growth:	We act like owners.		- sustainability wheel
		- "Delight global	We keep it simple.		(packaging, waste, water,
		snacks consumers.	We are open and inclusive.		agricultural commodities,
		- Unleash the power	We tell it like it is.		energy,
		of our iconic	We lead from the head and		transportation/distribution)
		heritage brands.	the heart.		
		- Create a	We discuss. We decide. We		

	performance-	deliver."
	driven, values-le	d - Health, well-being tools
	organization."	for employees
		- cost competitiveness
		- trust of consumers and
		customers, employees,
		suppliers
		- holding themselves
		accountable
		- being open and
		responsive to
		shareholders
		- contact centers, social
		media
COFCO	- integrity, teamwork, - fully Integrate	d Following keywords: - with clients - nature shapes us
	professionalism, Agri-food	Integrity, performance, worldwide - environmental protection
	innovation as a Company	professionalism, teamwork, - companies called - social responsibility
	combination of social, - diversification	learning, innovation, counterparts
	entrepreneurial and staff	openness, fairness,
	values	transparency, simplicity,
	- healthy, nutritious food	selflessness and kindness
	- Industry leaders	- product innovation
	- maximization of	oriented to consumer's

Appendix B

	customers',		demand, linked with		
	shareholders' and		marketing can yield more		
	employees' interests		direct business value		
Sources: See	Nestlé Annual I	Report 2010 (2010	0); http://www.nestle.com/A	boutUs/Strategy/Pages/Strateg	gy.aspx (n.d.), 11/28/2011;
http://www.nestle.c	om/AboutUs/faqs/Pages/Con	npanyRelated.aspx#nestlem	nodel (n.d.), 11/28/2011;	The Nestlé Corporate	Business Principles (2010);
http://www.nestle.c	om/Pages/Nestle.aspx	(n.d.), 11/28/2	011; http://www.beverag	gepartnersworldwide.com/	(2009), 01/10/2012;
http://www.kraftfoo	odscompany.com/MediaCente	er/corporate-awards/index.a	nspx (n.d.), 11/28/2011; http://	www.kraftfoodscompany.com	n/DeliciousWorld/index.aspx (n.d.),
11/28/2011; http://j	phx.corporate-ir.net/phoenix.	zhtml?c=129070&p=irol-ne	ewsArticle&ID=1619849 (n.d.),	11/28/2011; Creating a mor	e delicious world, our 2010 report
Kraft (2010); http	o://www.kraftfoodscompany.	com/About/strategies/index	a.aspx (2009), 11/30/2011; http://doi.org/10.1016/	p://www.cofco.com/en/indust	ry/index.aspx (2010), 11/28/2011;
http://www.cofco.co	om/en/about_cofco/status_qu	io.aspx?con_id=3311 (20)	11), 11/28/2011; http://www.c	ofco.com/en/about_cofco/stat	us_quo.aspx?con_id=3354 (2011),
11/28/2011; http://v	www.cofco.com/en/about/c-5	22.html (2012), 09/25/2012			

Table B.13.2: Food and nutrition employees and financial data.

	Employees	Revenues in \$
Nestlé S.A.		Sales:
	2010: 281,005	2010: 104,972 million \$
	2009: 278,165	2009: 99,361 million \$
	2008: 283,000	2008: 101,389 million \$
Kraft Foods Inc.		Net revenues:
	2010: 127,000	2010: 49,200 million \$
	2009: 97,000	2009: 38,800 million \$
	2008: 98,000	2008: 40,500 million \$
COFCO		Revenues:
	2010: 88,508 ¹⁶⁴	2010: 26,469 million \$
	2009: 84,133 ¹⁶⁵	2009: 26,098 million \$
G N 4/ 2010 F: 110	2008:78,419 ¹⁶⁶	2008: 26,446 million \$

Sources: See Nestlé 2010 Financial Statements (2010); Nestlé Annual Report (2010); Nestlé Annual Report (2009); Kraft Foods 2010 Fact Sheet; Fortune Global 500 CFO (2011); Fortune Global 500 CFO (2010); Fortune Global 500 CFO (2009).

¹⁶⁴ Note: Fiscal year 2010.

¹⁶⁵ Note: Fiscal year 2009.

¹⁶⁶ Note: Fiscal year 2008.

Table B.14.1: Supermarkets and Retailers.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Wal-Mart Stores Inc.	"Saving people money to help them live better"	- price leadership	- respect for customers, associates, suppliers - service to customers - business committed to excellence	None explicitly stated	 leader in corporate sustainability Environmental goals: be supplied 100 percent by renewable energy create zero waste sell products that sustain people, environment
Carrefour S.A.	"We share a dream: to make Carrefour a business that is recognised and loved for helping its customers and consumers enjoy a better quality of life, each and every day."	"Making Carrefour the preferred retailer wherever it operates, three levers: client-oriented culture, transformation, innovation"	See Mission	- supporting local suppliers	- sustainable approach of environment, human resources, society

	"To achieve this dream, as we go about our business, we ensure that every day we are: committed, caring and positive." "These three values bring us closer to our customers and consumers and reflect our personality. We look for and find the best possible solutions for them every day.2				
7 & i Holdings Co., Ltd.	None explicitly stated	Global strategy: - establishment of	Code of corporate conduct:	None explicitly stated	- wants to be a company that is trusted in
		supply structure required for overseas expansion involving area licensees	- sell products with low environmental impact, safe products, propose eco-conscious lifestyles.		- e.g. emissions reduction
		- promotion of	- strive to reduce		

Group wide joint	loss in every area
procurement of	of business,
raw materials and	operate energy-
products	efficient stores in
- sharing of	terms of power
information on	and water savings,
global production	review ways of
regions	packaging
- providing high-	products,
quality products at	providing services,
reasonable prices	strive to conserve
- holding system	resources
that sets on growth	- push ahead with
- Group's strengths	waste reduction,
include extensive	developing
information about	systems for
customer	efficient recycling
purchasing	of waste, stressing
behavior and	use of recycled
world-class sales	materials
capabilities -	- set voluntary
- provides products	targets, work to
under own brand	achieve them to

names	ensure that
- mainly	environmental
employment of	measures improve
local people	every year
	- document results
	of activities, share
	information with
	wide audience

Sources: See Fortune Global 500 WMT (2011); http://walmartstores.com/AboutUs/9538.aspx (n.d.), 12/01/2011; http://walmartstores.com/AboutUs/321.aspx (n.d.), 06/12/2011; http://walmartstores.com/Sustainability/ (n.d.), 12/01/2011; http://walmartstores.com/AboutUs/8507.aspx (n.d.), 01/19/2012; Annual Activity and Sustainability Report, Reinventing Carrefour (2010); http://www.carrefour.com/cdc/group/our-values/ (n.d.), 12/01/2011; http://www.carrefour.com/cdc/group/our-strategy/ (2009), 12/01/2011; http://www.carrefour.com/cdc/group/our-group/ (n.d.), 12/01/2011; Focused Strengths, Future Potential, 7 & i Holdings Co., Ltd. Annual Report 2011 (2011); 7 & i Holdings Co., Ltd. CSR Report 2010 (2010).

Table B.14.2: Supermarkets and retailers employees and financial data.

	Employees	Financial data in \$
Wal-Mart Stores		Net sales:
Inc.	2010: 2,100,000	FY2010: 405 billion \$
	2009: 2,100,000	FY2009: 401 billion \$
	2008: 2,100,000	FY2008: 374 million \$
Carrefour S.A.		Consolidated net sales:
	2010: 471,755	2010: 90,099 million € / 120,607 million \$
	2009: 475,976	2009: 85,366 million € / 122,287 million \$
	2008: 495,287	2008: 86,967 million € / 121,702 million \$
7 & i Holdings Co.,		Revenues from operations:
Ltd.	2010: 50,765 ¹⁶⁷	02/2011: 5,119,739 million \(\frac{1}{437}\) million \(\frac{1}{437}\)
	2009: 52,814 ¹⁶⁸	02/2010: 5,111,297 million \(\frac{1}{2} \) / 54,691 million \(\frac{1}{2} \)
G G W 1	2008: 54,486 ¹⁶⁹	02/2009: 5,649,948 million ¥ / 57,065 million \$

Sources: See Walmart 2011 Annual Report (2011); Fortune Global 500 WMT (2011); Fortune Global 500 WMT (2010); Fortune Global 500 WMT (2009); Annual Activity and Sustainability Report, Reinventing Carrefour (2010); Carrefour 2009 Financial Report (2009); Carrefour 2010 Financial Report (2010); Focused Strengths, Future Potential, 7 & i Holdings Co., Ltd. Annual Report 2011 (2011); Fortune Global 500 SVNDY (2011); Fortune Global 500 SVNDY (2010); Fortune Global 500 SVNDY (2009).

¹⁶⁷ Note: Fiscal year ended 28/02/2011.

¹⁶⁸ Note: Fiscal year ended 28/02/2010.

¹⁶⁹ Note: Fiscal year ended 28/02/2009.

Table B.15.1: Consumer goods.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
The Procter & Gamble Company	Purpose: "We will provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come. As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders and the communities in which we live and work to prosper."	- brand-building	Values: Integrity, leadership, ownership, passion for winning, trust Principles: - respect for all individuals - interests of company and individual are inseparable - strategically focused in work - innovation is the cornerstone success	 use of word partners acquisitions joint-ventures retail partners 	- environmental, social sustainability

				value personal					
			-	1					
				mastery					
			-	seek to be the best					
			-	externally focused					
			-	mutual					
				interdependency is					
				a way of life					
			-	supplier diversity					
			-	cost savings					
Johnson & Johnson	Vision:	Four growth enablers:	-	responsibility to	-	partnerships with	- health	care and ed	ducation,
	"To maximize the global	products, pipelines,		product users (high		R&D	access	to medicines	
	power of diversity and	global presence,		quality products)	-	point to importance	- medic	al innovation	
	inclusion to drive superior	people	-	responsibility to		of building strong	- transp	arency	
	business results and			employees		working partnerships			
	sustainable competitive		_	responsibility to	-	acquisitions			
	advantage."			communities	_	distribution			
	Mission:		_	responsibility to		agreements			
	- "Fostering Credo-based			stockholders (fair		C			
	inclusive cultures that			returns)					
	embrace our differences			services					
	and drive innovation to								
			-	long-term					
	accelerate growth			incentives					
	(workplace)								

	- Achieving a skilled, high				
	performance workforce				
	that is reflective of the				
	diverse global				
	marketplace (workforce)				
	- Working with business				
	leaders to identify and				
	establish targeted market				
	opportunities for				
	consumers across diverse				
	demographic segments				
	(marketplace)				
	- Cultivating external				
	relationships with				
	professional, patient and				
	civic groups to support				
	business priorities				
	(external stakeholders)"				
Unilever	Corporate Vision:	"Our Compass	Four pillars of the	- strategic relationships	- sustainable Living Plan
	"helping people to look good,	strategy sets out our	vision:	with suppliers	- help more than a billion
	feel good and get more out of	ambition. It is to		- joint innovation	people take action to improve
	life"	double the size of	- see mission	programs	their health and well-being
	Mission:	Unilever while	- strong cost	- open innovation	- halve the environmental

	"We work to create a better	reducing our	discipline	activities with	impact of the making and use
	future every day. We help	environmental	- long-term	academic institutions	of products
	people feel good, look good	footprint."	incentives	and companies	- enhance livelihoods of
	and get more out of life with	- winning with	- employee	- acquisitions	thousands of people in supply
	brands and services that are	brands,	involvement,		chain
	good for them and good for	innovations	contribution and		
	others. We will inspire	- continuous	commitment		
	people to take small,	improvement,			
	everyday actions that can add	with the people			
	up to a big difference for the				
	world. We will develop new				
	ways of doing business with				
	the aim of doubling the size				
	of our company while				
	reducing our environmental				
	impact."				
Sources:	See	http://www.jnj.com/coni	nect/about-jnj/our-citizensh	nip (n.d	.), 11/29/2011;

http://www.jnj.com/wps/wcm/connect/c7933f004f5563df9e22be1bb31559c7/jnj_ourcredo_english_us_8.5x11_cmyk.pdf?MOD=AJPERES (n.d.), 12/01/2011; Johnson & Johnson Annual Report (2010); http://www.jnj.com/connect/partners (n.d.), 12/01/2011; http://www.pg.com/en_US/company/purpose_people/pvp.shtml (n.d.), 12/01/2011; http://www.pg.com/en US/company/core strengths.shtml (n.d.), 12/01/2011; http://www.pg.com/en US/index.shtml (n.d.), 11/28/2011; Innovating for Everyday Life, 2011 2010 Procter&Gamble (2011);Procter&Gamble Report (2010);Annual Report 2010 (2010);Annual Unilever Annual Report http://www.unilever.com/investorrelations/annual_reports/AnnualReportandAccounts2010/Winningwithbrandsandinnovation.aspx (n.d.), 11/29/2011; http://www.unilever.com/aboutus/ourhistory/ (n.d.), 12/02/2011.

Table B.15.2: Consumer goods employees and financial data.

	Employees	Financial data in \$				
The Procter &		Net sales:				
Gamble Company	2010: 127,000 ¹⁷⁰	2010: 82,600 million \$				
	2009: 135,000 ¹⁷¹	2009: 78,900 million \$				
	2008: 138,000 ¹⁷²	2008: 76,700 million \$				
Johnson &		Net sales:				
Johnson	2010: 115,000	2010: 61,600 million \$				
	2009: 115,500	2009: 61,900 million \$				
	2008: 118,700	2008: 63,700 million \$				
Unilever		Turnover:				
	2010: 167,000	2010: 44,300 million \$				
	2009: 163,000	2009: 39,823 million \$				
	2008: 174,000	2008: 40,523 million \$				

Sources: See Innovating for Everyday Life, 2011 Annual Report Procter&Gamble (2011); Procter&Gamble Annual Report 2010 (2010); Fortune Global 500 PG (2011); Fortune Global 500 PG (2009); Johnson & Johnson Annual Report (2008); Johnson & Johnson Annual Report (2009); Johnson & Johnson Annual Report (2010); Unilever Annual Report and Accounts 2010 (2010); Unilever Annual Report and Accounts 2009 (2009).

¹⁷⁰ Note: Fiscal year ended 06/30/2010.

¹⁷¹ Note: Fiscal year ended 06/30/2009.

¹⁷² Note: Fiscal year ended 06/30/2008.

Table B.16.1: Chemical products.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
BASF SE	"We create chemistry for a sustainable future."	"We create chemistry strategy: - We add value as one company. - We innovate to make our customers more successful. - We drive sustainable solutions. - We form the best team."	- creative, open, responsible, entrepreneurial - creating competitive advantage - transparent communication - services e.g. in plastics segment - cost-efficiency - high-quality	- investments with other global companies (e.g. Gazprom, Petronas) - Research Verbund - Logistics Verbund - acquisitions - cooperative partnerships worldwide with universities, research institutes, customers, industrial partners	- environment and society
Dow Chemical Company	Policy: "to be lawful, highly- principled and socially responsible in all of its business practices"	- want to revolutionize the customer's products (pro-	To passionately innovate as the bedrock of their culture and integral part of strategy	universitiesjoint-ventures of great importanceacquisitions	- addressing world challenges

	Customer has to receive		actively)	for growth				
	quality, reliability, integrity	-	combining power	- creating value for				
	in services, products		of science and	shareholders				
			technology with	- customer service				
			passionately	- optimizing costs				
			innovating	- staying				
		-	connecting	competitive				
			chemistry and	- diverse customers				
			innovation with	and suppliers				
			the principles of	- execute today and				
			sustainability	build for tomorrow				
Sinochem	Objective:	-	new pesticide	Core of corporate	-	mergers and	-	mutual prosperity for the
International	"creating value, pursuing		R&D	culture: honest,		acquisitions		country
(Holding) Co., Ltd.	excellence and building a top	-	safety evaluation	cooperative, open to	-	collaboration	-	develop with
	international energy	-	dyestuff R&D	learn, diligent,	-	strategic partnerships		clients/employees
	enterprise"	-	clean production	innovative, pursuing		with domestic	-	reach harmony with nature
	Vision:	-	fertilizer R&D	excellence		suppliers	-	facilitate social progress
	"To become a great	-	oil exploration		-			
	respectable company with	-	ODS alternatives	- strengthening cost				
	global presence"			management				
	Mission	Ind	ustrial service	- creating value for				
	- "To be a role model in	stra	itegy (one-two-	shareholders				
	the industry with	thre	ee-four-five	- have formed				

technology leadership,	strategy)	stable and	
resource conservation	- five key areas:	extensive global	
and environmental	energy,	marketing channels	
protection	agriculture,	- quality	
- To be a mainstay for the	chemicals, real		
nation's energy security,	estates, finance		
agricultural safety and	- four measures:		
chemical technology	innovation,		
advancement	integration,		
- To be a great company	M&A,		
fulfilling its social	collaboration		
responsibility and a	- three joints:		
highly respected	resources,		
company with global	technology,		
influence"	market		
	- two		
	fundamentals:		
	internal		
	management,		
	external		
	- one ability:		
	sustainability		

Appendix B

Sources: See BASF Report 2010 (2010); http://www.basf.com/group/corporate/en/about-basf/profile/verbund/research-organization (2012), 01/18/2012; http://www.basf.com/group/corporate/en/about-basf/strategy/index (2012),01/18/2012; http://www.basf.com/group/corporate/en/about-basf/purpose-principlesvalues/our purpose?mid=1 (2012), 02/18/2012; BASF Report 2010 (2010); The Dow Chemical Company 2010 Annual Report (2010); http://www.dow.com/innovation/partnership/ (2011), 12/22/2011; http://www.dow.com/about/beliefs/ (2011), 12/22/2011; http://www.dow.com/innovation/ (2011), 12/22/2011; http://www.dow.com/financial/joint venture/ (2011), 12/22/2011; http://www.dow.com/products/ (2011), 12/22/2011; http://www.dow.com/about/ (2011), 12/22/2011; http://www.dow.com/sustainability/challenges.htm (2011), 12/27/2011; Sinochem Group 2010 Annual Report (2010); http://www.sinochem.com/g789.aspx (2011),12/22/2011; http://www.sinochem.com/g759.aspx (2011),12/22/2011; http://www.sinochem.com/g796.aspx (2011),12/22/2011; http://www.sinochem.com/g708.aspx (2011), 12/22/2011; http://www.sinochem.com/g716.aspx (2011), 12/22/2011.

Table B.16.2: Chemical products employees and financial data.

	Employees	Financial data in \$			
BASF SE		Sales (Net income):			
	2010: 109,140	2010: 63,873 (4,557) million € / 85,500 million \$			
	2009: 104,779	2009: 50,693 (1,410) million € / 72,6177 million \$			
	2008: 96,924	2008: 62,304 (2,912) million € / 87,188 million \$			
Dow Chemical		Net sales:			
Company	2010: 49.505	2010: 53,674 million \$			
	2009: 52,195	2009: 44,875 million \$			
	2008: 46,102	2008: 57,361 million \$			
Sinochem International		Revenue from operations:			
(Holding) Co., Ltd.	2010: 43,780	2010: 50,633 million \$			
	2009: 42,282	2009: 36,509 million \$			
	2008: 35,529	2008: 45,208 million \$			

Sources: See BASF Report 2010 (2010); BASF Report 2009 (2009); The Dow Chemical Company 2010 Annual Report (2010); Sinochem Group 2010 Annual Report (2010); Sinochem Group 2009 Annual Report (2009); Sinochem Group 2009 Annual Report (2009).

Table B.17.1: Pharmaceutics.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Cardinal Heal	"To be the healthcare industry leader in providing a diverse, inclusive work environment that reflects the marketplace and communities where we do business while maximizing our competitive advantage through innovation, profit and adaptability." Mission: - "Identify, attract, and retain the best talent from each group. - Create a workplace where all talent can perform at its best. - Assess/understand the diversity		Better, safer healthcare delivery - R&D - reducing costs	- consolidate pharmaceutical from hundreds of manufacturers - supplier diversity - foster strategic business relationships - search for partners on their website - acquisitions	 working in healthcare itself is responsibility three programs: Essential to Healthcare, Essential to Wellness & Essential to Community partnerships with healthcare organizations
	of your marketplace o Ensure we are				

	responding and aligning to our customers • Ensure our customers see themselves in our vision, actions and workplace. - Use external contributions to eliminate disadvantage and increase the diversity of the talent pool."			11.	
Novartis AG	Mission: "We want to discover, develop and successfully market innovative products to prevent and cure diseases, to ease suffering and to enhance the quality of life."	Strategy: "to provide healthcare solutions that address the evolving needs of patients and societies worldwide." - Executive Committee coordinates Group's day-to-day	- global pharmaceutical market highly competitive - competition including pricing, product characteristics, customer service, sales and marketing,	 alliances partnering with others acquisitions wholesalers, distributors 	 people and communities environmental care patients

business	research and
operations	development
- optimizing	- short- and long-
results	term incentives,
- maintain	performance
multiple supply	based incentives
sources	- active internal
- open and	and external
transparent	communications
communication	policy
with	
shareholders,	
financial	
analysts,	
customers,	
suppliers and	
other	
stakeholders	
- accelerating	
growth by	
responding to	
key market	
opportunities	

Suzuken Co., Ltd.	None explicitly stated	Health	creation	Coı	rporate	-	leader in	-	work	or	world	and	for
		(innovativ	e)	phi	losophies:		pharmaceutical		people				
		- increa	sing long-	-	"By creating new		distribution						
		term	corporate		value, we	-	regional healthcare						
		value			contribute to the		partnerships						
					improvement of	-	Joint-ventures, joint						
					health on Earth		development						
					and to healthier		contracts						
					and better lives								
					for all people.								
				-	We fulfill our								
					responsibilities as								
					a good corporate								
					citizen as well as								
					our obligations to								
					shareholders.								
				-	Each employee is								
					committed to								
					being a good								
					family member								
					and to fulfilling								
					their potential								
					through work."								

Sources: See Envisioning realizing Cardinal Health 2011 (2011);next Annual Report now. http://www.cardinal.com/mps/public/!ut/p/c1/04 SB8K8xLLM9MSSzPy8xBz9CP0os3gjA3cDAwtfZ18fV2NTA09HL dAYz8TQ4NQM 3g1Dz9cJAus3gDHMDRQN PIz 83Vb8g28sCAIfp8jU!/d1/L0IDU0lKSWdra0EhIS9JTlJBQUlpQ2dBek15cUEhL1lCSkoxTkExTkk1MC13ISEvN18yMEcwMDhNQ01MQ1FEMEk2S0w5MTJLMzAwN Q!!/?WCM PORTLET=PC 7 20G008MCMLCQD0I6KL912K3005 WCM&WCM GLOBAL CONTEXT=/mps/wcm/connect/us/en/AboutUs/Commitment/ (2010, 2011), 12/08/2011: http://www.cardinal.com/mps/public/!ut/p/c1/04 SB8K8xLLM9MSSzPy8xBz9CP0os3gjA3cDAwtfZ18fkzBLA09PC0PzgLAgA dgM 3g1Dz9cJAus3gDHMDRQN PIz83 Vb8g28sCAHQWbBk!/dl2/d1/L2dJQSEvUUt3QS9ZQnB3LzZfMjBHMDA4TUNNTEUzNTBJQUpHUTNONDEwVTY!/?WCM GLOBAL CONTEXT=/mps/wcm/conne ct/us/en/aboutus (2010,2011), 12/08/2011; http://www.cardinal.com/mps/public/!ut/p/c1/04 SB8K8xLLM9MSSzPy8xBz9CP0os3gjA3cDAwtfZ18fV2NTA09HL dAYz8TQ4NQM 3g1Dz9cJAus3gDHMDRQN PIz 83Vb8g28sCAIfp8jU!/dl2/d1/L0lDU0lKSWdra0EhIS9JTlJBQUlpQ2dBek15cUEhL1lCSkoxTkExTkk1MC13ISEvN18yMEcwMDhNQ01MQ1FEMEk2S0w5MTJLMzAwN Q!!/?WCM PORTLET=PC 7 20G008MCMLCQD0I6KL912K3005 WCM&WCM GLOBAL CONTEXT=/mps/wcm/connect/us/en/AboutUs/OurBusinesses (2010,2011), 12/08/2011; http://www.cardinal.com/us/en/AboutUs/Commitment/SupplierDiversity (2010,2011), 12/08/2011; http://www.cardinal.com/mps/public/!ut/p/c1/04 SB8K8xLLM9MSSzPy8xBz9CP0os3gjA3cDAwtfZ18fV2NTA09HL dAYz8TQ4NQM 1wkA6zeAMcwNFA388jPzdVvy A7rxwAb6DGyA!!/dl2/d1/L0lDU0lKSWdra0EhIS9JTlJBQUlpQ2dBek15cUEhL1lCSkoxTkExTkk1MC13ISEvN18yMEcwMDhNQ01MQ1FEMEk2S0w5MTJLMzAwNQ! !/?WCM PORTLET=PC 7 20G008MCMLCQD0I6KL912K3005 WCM&WCM GLOBAL CONTEXT=/mps/wcm/connect/us/en/communityrelations (2010,2011), 05/03/2012; http://www.novartis.com/about-novartis/index.shtml (2011), 12/22/2011; http://www.novartis.com/about-novartis/healthcare-portfolio/index.shtml (2011), 12/22/2011; http://www.novartis.com/corporate-citizenship/index.shtml (2011) 12/22/2011; http://www.novartis.com/downloads/about-novartis/current-alliances.pdf (n.d.), 12/22/2011; http://www.novartis.com/about-novartis/healthcare-portfolio/index.shtml (2011), 12/22/2011; http://www.suzuken.co.jp/english/whats/responsible.html (n.d.), 12/08/2011; http://www.suzuken.co.jp/english/company/philosophy.html (n.d.), 12/08/2011.

Table B.17.2: Pharmaceutics employees and financial data.

	Employees	Financial data in \$
Cardinal Health,		Revenue:
Inc.	2010: 31,200 ¹⁷³	06/2011: 102,640 million \$
	2009: 46,500 ¹⁷⁴	06/2010: 98,500 million \$
	2008: 47,600 ¹⁷⁵	06/2009: 95,990 million \$
Novartis AG		Net sales:
	2010: 119,418	2010: 50,624 million \$
	2009: 99,834	2009: 44,267 million \$
	2008: 96,717	2008: 41,459 million \$
Suzuken Co.,		Net sales:
Ltd.	03/2011: 15,152	03/2011: 1,751,928 million \(\frac{1}{2}\) / 21,023 million \(\frac{1}{2}\)
	03/2010: 14,655	03/2010: 1,735,476 million ¥ / 18,570 million \$
	03/2009: 13,702	03/2009: 1,641,331 million ¥ / 16,577 million \$

Sources: See Envisioning next realizing now, Cardinal Health 2011 Annual Report (2011); Global Fortune 500 CAH (2011); Global Fortune 500 CAH (2010); Global Fortune 500 CAH (2009); http://www.novartis.com/investors/financial-results/annual-results-2009.shtml (2011), 12/22/2011; http://www.novartis.com/investors/financialresults/annual-results.shtml (2011),12/22/2011; Novartis US Securities and Exchange Commission 20-F 2010 (2010);Form http://www.suzuken.co.jp/english/ir/highlight/data.html (n.d.), 12/13/2011.

¹⁷³ Note: Fiscal year ended 06/30/2010.

¹⁷⁴ Note: Fiscal year ended 30/06/2009.

¹⁷⁵ Note: Fiscal year ended 30/06/2008.

Table B.18.1: Tobacco.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Imperial Tobacco Group PLC	"We are a leading international tobacco company with a balanced market footprint and a unique portfolio that offers consumers high quality brands and products across all tobacco categories. We create value for our shareholders by driving sustainable sales growth, optimising costs and effectively utilising the cash we generate."	- delivering sustainable sales growth, being supported by assets - focus sales, cost, cash, innovation - three areas of focus: consumer centricity, execution excellence, future foundations	 individuals and teams of importance creating sustainable value for shareholders being responsible high quality for satisfying customers investing in R&D for products, production and marketing long-term incentive plan strong 	 acquisitions with tobacco companies develop stronger relationships with suppliers industry partnerships partnerships with retailers joint-ventures 	 making and selling responsibly enabling employees respecting natural resources partnering and contributing to society

				communication			
				and processes			
				between teams			
British American	Vision:	- "Our strategy for	-	Responsibility	- understand and	-	companies and people act
Tobacco PLC	"To achieve leadership of the	growth aims to	-	winning	develop joint		responsibly at all times
	global tobacco industry."	increase our		organization,	programs with global	-	seek to reduce the harm
		market share,		productivity shall	retail partners		caused by products
		with a focus on		lead to growth	- ensure	-	environmental management
		our Global Drive	-	vision builds the	high standards among	-	globalization and human rights
		Brands."		roof for it	own suppliers		
		- "Our commitment	-	portfolio of high-			
		to productivity		quality			
		provides the		international and			
		resource we need		local brands			
		to invest in our	-	R&D teams			
		brands and grow	-	Delivering			
		share in our key		shareholder return			
		markets, helping	-	balanced across			
		us increase		consumer			
		profit."		segments and price			
		- "Being a winning		points			
		organisation	-	backed by			
		ensures that we		industry-leading			

		attract, develop	innovations		
		and retain the			
		people we need to			
		deliver growth."			
Japan Tobacco Inc.	"The mission of the JT	"Quality top-line	JT Group way:	- acquisitions	- help for Japanese earthquake
	Group is to create, develop	growth is JTI's	committed to fulfill	- joint-ventures	- essence of CSR is to create,
	and nurture its unique brands	overriding priority.	expectations of		develop, nurture unique brands
	to win consumer trust, while	JTI remains	consumers, behave		to win consumers' trust, while
	understanding and respecting	committed to	responsibly; strive for		understanding, respecting
	the environment, and the	deploying its key	quality; continuous		environment, diversity of
	diversity of societies and	strategies under the	improvements;		societies and individuals
	individuals."	guiding principle of	leveraging diversity		
		continuous			
		improvement."	- direct sales to		
		- build, nurture	retailers, vending		
		outstanding	machines		
		brands	- enhancing cost		
		- continue to	competitiveness		
		enhance	- enhance product		
		productivity	innovation, R&D		
		- sharpen focus on	capability		
		responsibility and	- incentives		
		credibility	- strengthen		

- develop human competitiveness
resources as a
cornerstone of
growth

Sources: See http://www.imperial-tobacco.com/index.asp?page=17 (n.d.), 12/09/2011; http://www.imperial-tobacco.com/index.asp?page=18 (n.d.), 12/09/2011; http://www.imperial-tobacco.com/index.asp?page=18 (n.d.), 12/09/2011; http://www.imperial-tobacco.com/index.asp?page=5 (2011), 12/16/2011; Imperial Tobacco Group PLC Annual Report and Accounts 2010 (2010); http://www.bat.com/group/sites/uk__3mnfen.nsf/vwPagesWebLive/DO659KVX?opendocument&SKN=1 (2011), 12/09/2011; http://www.bat.com/group/sites/uk__3mnfen.nsf/vwPagesWebLive/DO52AD7G?opendocument&SKN=1 (2011), 12/09/2011; British American Tobacco About Us 2011 (2011); http://www.jt.com/about/vision/index.html (2009), 12/09/2011; Japan Tobacco Inc. CSR Report 2011 (2011); Japan Tobacco Inc. Annual Report 2011 (2011).

Table B.18.2: Tobacco employees and financial data.

	Employees	Financial data in \$
Imperial Tobacco		Revenue:
Group PLC	2010: 37,800	2010: 28,173 million £ / 44,009 million \$
	2009: 39,600	2009: 26,517 million £ / 42,854 million \$
	2008: 32,316	2008: 20,528 million £ / 29,437 million \$
British American		Revenue:
Tobacco PLC	2010: 92,285	2010: 14,883 million £ / 23,249 million \$
	2009: 97,078	2009: 14,208 million £ / 22,962 million \$
	2008: 96,381	2008: 12,122 million £ / 17,383 million \$
Japan Tobacco		Net sales:
Inc.	2010: 48,472	03/2011: 1,956.6 billions of ¥ / 23,479 million \$
	2009: 49,665	03/2010: 1,981.0 billions of ¥ / 21,197 million \$
	2008: 47,977	03/2009: 2,243.1 billions of ¥ / 22,655 million \$

Sources: See Imperial Tobacco Group PLC Annual Report and Accounts 2010 (2010); Imperial Tobacco Group PLC Annual Report and Accounts 2009 (2009); British American Tobacco Annual Report 2010 (2010); Japan Tobacco Inc. CSR Report 2011(2011); Japan Tobacco Inc. Annual Report 2011 (2011).

Table B.19.1: Industrial companies.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Compagnie de Saint-Gobain	"Building the homes of the future." "Saint-Gobain, the world leader in the habitat and construction markets, designs, manufactures and distributes building materials, providing innovative solutions to the challenges of growth, energy efficiency and environmental protection."	Strategy: the benchmark in sustainable habitat solutions - aims to become benchmark in the sustainable habitat market - developing construction and renovation solutions for professional customers, ensure that buildings are energy efficient, comfortable,	 innovation-oriented culture driving internal growth enhancing competitiveness aim at creating a new corporate culture Worldwide/European leadership in all of its businesses local solutions tailored to the needs of each market solutions combining products and services adapted to customers' needs 	 unrivalled portfolio of energy efficiency products and solutions cooperations in the field of research acquisitions joint-ventures trading partners 	- sponsorship - involved into "100 opportunities, 100 jobs" campaign for helping disadvantaged young people entering the workforce

		healthy,	- in the area of human		
		esthetically	resources, promote		
		superior	openness and		
		- protecting	diversity, social		
		natural resources	dialogue and		
		- oriented towards	professional		
		market	development		
		specificities and	- enhancing reputation		
		needs	and attractiveness for		
		- cost savings	current and future		
			employees		
			- establishing		
			competitive		
			advantage		
Caterpillar Inc.	Vision 2020:	Strategic goals	Values in action	- affiliations	- sponsorships
	- "Delivering superior	- superior results	- integrity, excellence,	- strategic acquisitions	- environment, health, safety
	returns to shareholders	- global leader	teamwork,		
	- Attracting and	- nest team	commitment		
	developing the best				
	talents		Operating principles		
	- Helping customer		- strategic businesses,		
	succeed"		customer focused,		
	"A global leader in size,		valued products and		

	scope, reach and character,	services			
	Caterpillar Inc. is a genuine		- supplier		
	enabler of sustainable world		collaboration,		
	progress and opportunity,		Caterpillar		
	defined by the brand		production system,		
	attributes of global		unmatched dealer		
	leadership, innovation, and		support		
	sustainability."		- deep expertise,		
			accountable for		
			results, competitive		
			costs		
Hyundai Heavy	"Our vision is to become a	- optimizing	Hyundai spirit:	- mergers	- protecting environment
Industries Co., Ltd.	Global Leader in the heavy	business structure	creative wisdom, positive	- affiliated companies	- enriching society
	industries sector."	- maximizing	thinking, unwavering	- acquisitions	
		global	drive	- joint-ventures	
		competitiveness	Core values:	- partnerships with	
		- developing	imagination, value	engineering firms	
		advanced	creation, challenges,	- fair and clean	
		technologies	promises, trust	business	
		- building efficient	- reduced costs	relationships with	
		production	- five R&D areas	suppliers	
		systems	- production		
		- creating	optimization		

	innovative	- (develop global sales,	
	business	1	marketing	
	practices	- (deliver superior	
		5	satisfaction to	
		(customers	
		- (deliver greater value	
		1	to shareholders	
	I			

Sources: See 2010 Annual Report Saint-Gobain; Caterpillar 2010 year (2010); http://www.caterpillar.com/company (2011), 01/05/2012; in review http://www.caterpillar.com/company/sponsorships (2011),01/05/2012; http://www.caterpillar.com/sustainability/affiliations (2011),01/05/2012; http://www.caterpillar.com/sustainability/environment-health-and-safety (2011), 01/05/2012; Frontiers of Growth, Hyundai Heavy Industries Annual Report 2010 (2010); http://english.hhi.co.kr/company/at a glance.asp (2008),01/05/2012; http://english.hhi.co.kr/company/vision.asp (2008),01/05/2012;

Table B.19.2: Industrial companies employees and financial data.

	Employees	Financial data in \$			
Compagnie de Saint-		Net sales:			
Gobain	2010: 189,193	2010: 40,119 million Euro / 53,703 million \$			
	2009: 191,442	2009: 37,786 million Euro/ 54,128 million \$			
	2008: 209,175	2008: 43,800 million Euro / 61,294 million \$			
Caterpillar Inc.		Sales and revenues:			
	2010: 98,504	2010: 42,588 million \$			
	2009: 99,359	2009: 32,396 million \$			
	2008: 106,518	2008: 51,324 million \$			
Hyundai Heavy		Net income:			
Industries Co., Ltd.	2010: 24,222	2010: 3,761,139 million Korean Won / 33,850 million \$			
	2009: 24,982	2009: 2,146,489 million Korean Won / 19,318 million \$			
	2008: 25,240	2008: 2,256,665 million Korean Won / 18,053 million \$			

Sources: See 2010 Annual Report Saint-Gobain (2010); Caterpillar 2010 year in review (2010); http://english.hhi.co.kr/company/at_a_glance.asp (2008), 01/05/2012; http://www.hhiir.com/EN/financial/finanHighlight_01.asp (2011), 01/05/2012; Frontiers of Growth, Hyundai Heavy Industries Annual Report 2009 (2009); Hyundai Heavy Industries Annual Report 2008 (2008).

Table B.20.1: Mining.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Rio Tinto Group	Vision: "To become the sector leading global mining and metals company." "With a focus on organic growth, we will also consider strategic merger and acquisition opportunities of moderate size that fit our overall direction and help us achieve our vision."	"To invest in and operate large, long term, cost competitive mines and businesses, driven not by choice of commodity but rather by the quality of each opportunity." Five strategic drivers: - financial, operational excellence - license to operate - growth - globalizing the business	four core values: accountability, respect, teamwork and integrity - a range of sales and marketing channels to interact with customers - channels include direct sales, sales via distributors and sales via agents - safety	- joint-ventures - collaborative partnerships with universities, equipment producers - long-term relationships with customers	- economic, social, political, environmental and governance challenges

		-	technology and				
			innovation				
Vale S.A.	Mission:	-	increase	"Life matters most	-	continue to seek	- Responsible, integrated
	"Transform natural resources		geographical and	Value our people		opportunities to make	management of economic,
	into prosperity and		product	Prize our planet		strategic acquisitions	environmental and social
	sustainable development."		diversification,	Do what is right	-	joint-ventures	issues
	Vision:		logistics	Improve together	-	investing in the	- produce local, regional and
	"To be the number one global		capabilities	Make it happen "		development of	global prosperity
	natural resources company in	-	iron ore, nickel			suppliers, company	
	creating long term value,		will continue to			strengthens ties and	
	through excellence and		be main			provides extra	
	passion for people and the		businesses			motivation to	
	planet. "	-	boosting the			establish more	
			production			productive	
			capacity of			partnerships	
			copper, coal,		-	continually improve	
			fertilizer nutrients			relationships with	
		-	enhancing			current and potential	
			competitiveness			suppliers	
			by investing into		-	aim is to develop	
			railroads,			relations with	
			maritime			companies in a	
			terminals,			transparent and	

maritime freight	sustainable manner.	
portfolio and		
power generation		
capacities		
- disciplined capital		
management		
- maximize return		
on invested		
capital and total		
return to		
shareholders		

Sources: See Rio Tinto 2010 Annual Report (2010); Vale, A Year of Extraordinary Performance, Annual Report 2010 (2010); http://www.vale.com/en-us/conheca-a-vale/nossas-crencas/pages/default.aspx (2010), 04/16/2012; http://www.vale.com/en-us/sustentabilidade/pages/default.aspx (2010), 04/16/2012; http://www.vale.com/en-us/fornecedores/Pages/default.aspx (2010), 04/16/2012.

Table B.20.2: Mining employees and financial data.

	Employees	Financial data in \$
Rio Tinto Group		Sales revenue:
	2010: 76,894	2010: 56,576 million \$
	2009: 101,994	2009: 41,825 million \$
	2008: 105,785	2008: 54,264 million \$
Vale S.A.		Net operating revenues:
	2010: 126,000 directly employed	2010: 45,293 million \$
	and 50,000 in projects / 70,785 ¹⁷⁶	2009: 23,311 million \$
	2009: 60,036 ¹⁷⁷	2008: 37,426 million \$
	2008: 62,490 ¹⁷⁸	

Sources: See Rio Tinto 2010 Annual Report (2010); Vale, A Year of Extraordinary Performance, Annual Report 2010 (2010); http://www.vale.com/en-us/conheca-a-vale/mundo-afora/pages/default.aspx (2010), 04/16/2012; Fortune Global 500 VALE (2011); Fortune Global 500 VALE (2010); Fortune Global 500 VALE (2009).

¹⁷⁶ Note: Fiscal year 2010.

¹⁷⁷ Note: Fiscal year 2009.

¹⁷⁸ Note: Fiscal year 2008.

Table B.21.1: Automobile.

	Mission and philosophy	Strategy statement	Corporate culture, values, Code of conduct	Cooperations	Responsibility
Toyota Motor Corporation	"Rewarded with a smile by exceeding your expectations" Global Vision: "Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people. Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile. We will meet challenging goals by engaging the talent and passion of people, who believe there is always a better way."	 high quality just-in-time cost competitiveness 	Two pillars that support the Toyota Way: Respect for people, continuous improvement Guiding principles: - "Honor the language and spirit of the law of every nation and undertake open and fair business activities to be a good corporate citizen of the world. - Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in their respective communities. - Dedicate our business to providing clean and safe products and to enhancing the quality of life everywhere through all of our activities. - Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers	- acquisitions	seeking harmony between People, society, global environment, sustainable development of society through manufacturing

worldwide.
Foster a corporate culture that enhances
both individual creativity and the value of
teamwork, while honoring mutual trust
and respect between labor and
management.
Pursue growth through harmony with the
global community via innovative
management.
Work with business partners in research
and manufacture to achieve stable, long-
term growth and mutual benefits, while
keeping ourselves open to new
partnerships.
We strive to enhance corporate value
while achieving a stable and long-term
growth for the benefit of our shareholders.
We respect our business partners such as
suppliers and dealers and work with them
through long-term relationships to realize
mutual growth based on mutual trust."
fair and free competition
Worldwide R&D

Volkswagen	"Our mission – the future.	Strategy 2018	- offering safe, attractive and	- with other	- responsibility
AG	Our aim is to make the Volkswagen	- "Positioning the	environmentally sound vehicles	car	for
	Group the leading automaker by 2018	Volkswagen Group as a	- being competitive	producers	environment,
	– economically and ecologically."	global economic and	- setting world standards	- Joint-	society,
		environmental leader among	- internal communication channels	ventures	employees,
		automobile manufacturers	- long-term incentive plan	with	customers
		- Being the most successful	- cost reductions	Chinese	
		and fascinating automaker in	- worldwide production	companies	
		the world by 2018"		- Acquisitions	
General	Vision:	- "Deliver a product portfolio	New business model: focusing on fewer	partnerships with	- Responsibility
Motors	"Design, build and sell the world's best	of the world's best vehicles,	brands, compelling vehicle design, innovative	automobile	is fostered
Company	vehicles."	allowing us to maximize	technology, improved manufacturing	companies	
		sales under any market	productivity and streamlined, more efficient	- point-	
		conditions;	inventory processes	ventures	
		- Sell our vehicles globally by	- monetary incentives		
		targeting developed markets,			
		which are projected to have			
		increases in vehicle demand			
		as the global economy			
		recovers, and further			
		strengthening our position in			
		high growth emerging			
		markets;			

- Improve revenue realization		
and maintain a competitive		
cost structure to allow us to		
remain profitable at lower		
industry volumes and across		
the lifecycle of our product		
portfolio; and		
- Maintain a strong balance		
sheet by reducing financial		
leverage given the high		
operating leverage of our		
business model."		

Sources: See http://www.toyota-global.com/sustainability/csr initiatives/csr concepts/policy.html (1995-2012), 11/24/2011; http://www.toyotaglobal.com/company/vision philosophy/globalizing and localizing manufacturing/ (1995-2012),11/24/2011; http://www.toyotaglobal.com/company/message_from_president/president110309.pdf (n.d.), 11/24/2011; http://www.toyota-global.com/company/vision_philosophy/guiding_principles.html (1995-2012), 11/24/2011; http://www.toyota-global.com/company/vision philosophy/toyota production system/ (2011), 11/24/2011; Volkswagen Aktiengesellschaft Annual Report 2009 (2009); Volkswagen Aktiengesellschaft Annual Report 2010 (2010); General Motors Company 2010 Annual Report (2010); http://media.gm.com/content/media/th/th/news.detail.brand_GM.html/content/Pages/news/global/en/2011/0902_avto (2011),12/07/2011; http://www.gm.com/company/aboutGM/gm foundation gmf.html (2011), 11/28/2011.

Table B.21.2: Automobile employees and financial data.

	Employees	Financial data in \$		
Toyota Motor		Sales:		
Corporation	2010: 317,716 ¹⁷⁹	03/2011: 18,994 billion Yen / 227,928 million \$		
	2009: 320,590 ¹⁸⁰	03/2010: 18,951 billion Yen / 202,776 million \$		
2008: 320,808 ¹⁸¹ 03/2009: 20,530 billion Yen / 2		03/2009: 20,530 billion Yen / 207,353 million \$		
Volkswagen AG		Sales revenue:		
	2010: 399,381	2010: 126,875 million Euro / 169,835 million \$		
	2009: 368,500	2009: 105,187 million Euro / 150,680 million \$		
	2008: 369,928	2008: 113,808 million Euro / 159,263 million \$		
General Motors		Worldwide net sales and revenues:		
Company	2010: 202,000 ¹⁸²	2010: 135,592 million \$		
	2009: 217,000 ¹⁸³	2009: 104,589 million \$		
	2008: 243,000 ¹⁸⁴	2008: 148,979 million \$		

¹⁷⁹ Note: Fiscal year ended 31/032011.

¹⁸⁰ Note: Fiscal year ended 31/03/2010.

¹⁸¹ Note: Fiscal year ended 31/03/2009.

¹⁸² Note: Fiscal year 2010.

¹⁸³ Note: Fiscal year 2009.

¹⁸⁴ Note: Fiscal year 2010.

Appendix B

Sources: See http://www.toyota-global.com/company/profile/overview/ (2011), 11/24/2011; Fortune Global 500 TM (2011); Fortune Global 500 TM (2010); Fortune Global 500 TM (2010); Fortune Global 500 TM (2010); Fortune Global 500 GM (2010); Fortune

Table C.1: Examples of outcomes.

	EADS Group	BASF SE	Deutsche Post DHL	AT&T Inc.	Deutsche Telekom AG
	(questionnaire 3)	(questionnaire 10)	(questionnaire 42)	(questionnaire 54)	(questionnaire 55)
Culture links					
Work culture	Building a positive working climate.	Being creative.	Systematically addressing weaknesses.	Building up an open innovation environment.	Teamwork is top priority.
Internal communication culture	Supporting open communication and a speak-up culture.	Being open.	Respecting cultures.	Collaboration is meant to drive innovation.	Respect is top priority.
Incentive culture	Growing together in an extended enterprise.	Being entrepreneurial.	Being the employer of choice.	Supporting an open innovation environment.	Valuing integrity.
Innovation culture	Being dependent on innovation.	Innovation is a needful condition for finding answers to e.g. healthcare	Providing inspiring exchange of ideas.	Driving innovation.	Opening up and expanding new growth areas.

		around the world.			
Product culture	Introducing eco-efficient, high-quality products and services.	Providing high-quality products and services.	Offering the best available solution.	Bringing people together and making them more productive.	Reliability is top priority.
External communication culture	Delivering the best European technology.	Creating chemistry for a sustainable future.	Transparency is top priority.	Empowering people and community.	Offering user-friendly products and services.
Cost culture	Unknown.	Being cost-efficient.	Offering cost-effective solutions.	Offering different price levels to differentiate from competitors.	Offering fairly priced products.
Governance culture	Remembering European roots by simultaneously having a global footprint.	Adding value as one company.	Being proactive.	Fostering growth.	Fostering growth.
Production links					
Joint-production assembly	Making joint-ventures.	Having joint investments with other global companies on a vertical basis.	Making joint-ventures.	Making joint-ventures.	Planning partnerships for the future.

Production	Delivering products that meet expectations.	Producing in six markets.	Producing internally, but also outsourcing some products.	Offering attractive products and services.	Being a multiple product company.
HRM	Asking employees to make compliant and ethical decisions.	Forming the best team.	Long-term employee relationship is top priority.	The number of employees steadily increases.	Offering many possibilities to perform and grow.
R&D	R&D is top priority.	R&D is top priority.	R&D does not take place in a narrower sense.	Research on new technologies takes place.	R&D takes place.
Service	Delivering services that meet expectations.	Offering services, e.g. in the plastics segment.	Offering logistics and communication services.	Providing excellent service.	Service and network quality are top priority.
Sales	Serving needs for mobility and security.	Sales takes place.	Continuously optimizing sales.	Sales take place.	Sales take place.
Accounting	Ensuring sustainable profitability.	Accounting takes place according to accepted principles.	Accounting takes place according to accepted principles.	Accounting takes place according to accepted principles.	I am T – count on me.
Executive Management	Centering a fair competition.	Driving sustainable solutions.	Remaining a leader in Germany and the rest of the world.	Making continuous improvements.	Being an integrated telecommunication company.

Relationship links	_				
Acquisitions	Some acquisitions take place.	Making acquisitions.	Some acquisitions take place.	Some acquisitions take place.	Planning acquisitions for future.
Supplier relationship	Fair relationship with suppliers is top priority.	Having a logistics verbund.	Buying all-inclusive packages from high-performance suppliers	It is not easy to compensate supplier problems.	University cooperations exist.
Responsibility	Responsible sourcing is top priority.	Responsibility is top priority.	Being the leading provider of climateneutral products and energy-efficient transport.	Responsibility is top priority.	Responsibility is top priority.
Competitive and/or cooperative relationship	Aiming at being the worldwide leader in aircraft by 2020. To gain leadership, EADS explains its competitive advantage as delivering the best of European technology.	Creating competitive advantages.	Having an outstanding competitive position on the market.	Defining the leadership position.	Making clear to be one of the world's leading integrated telecommunication companies.
Marketing and market communication	Marketing takes place.	Marketing takes place.	Paper-based as well as online marketing takes	Effective marketing is top priority.	Marketing takes place.

			place.		
Selling points/partners	Supporting balanced local development.	Having worldwide partnerships with customers.	Selling products and services online and in retail outlets and sales points.	Developing new distribution channels.	Unknown.
Shareholder/investor relationship (corporate reporting)	A fair relationship with stake- and shareholders is top priority.	Satisfying shareholders.	Satisfying shareholders in the long-term.	Shareholder satisfaction is top priority.	Shareholder satisfaction is top priority.
Customer relationship	Serving the peoples' needs.	Making the customers more successful.	Enabling the customers to be flexible.	Offering breakthroughs to customers.	Customer delight drives the Telekom's actions.

Table C.2: Examples of outcomes on expert questionnaires compared to company questionnaires.

	EADS Group	BASF SE	Deutsche Post DHL	AT&T Inc.	Deutsche Telekom AG
Culture links	Expert questionnaire ~ com	pany questionnaire			
	5 ~ 5	no information available	What does the statement /	6 ~ 6	no information available
Work culture	3~3	~ 5	Question mean? ~ 5	$0 \sim 0$	~5
Internal communication culture	5 ~ 5	no information available \sim 5	5 ~ 6	6~6	2~5

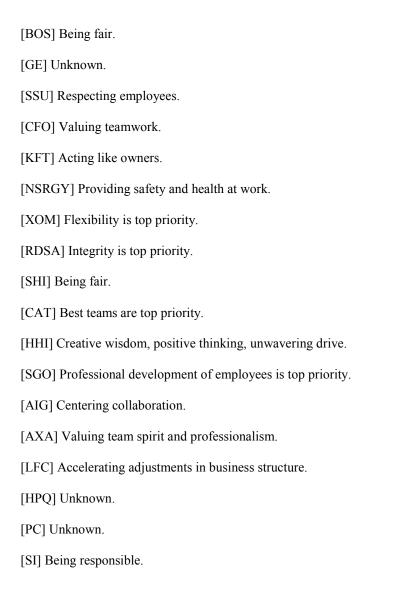
Incentive culture	$5 \sim 5$ / integrated	no information available ~ 5	no information available ~ 5	6~6	2~6
Innovation culture	$6 \sim 5$ / Innovation is our basis for success	6~5	no information available ~ 5	6~6	5 ~ 6
Product culture	4 ~ 5	5 ~ 5	no information available ~ 6	6~6	4~6
External communication culture	6~6	5 ~ 5	no information available ~ 4	5 ~ 6	No answer ~ 6
Cost culture	3 ∼ no answer	5 ~ 5	no answer ~ 5	5 ~ 5	3 ~ 5
Governance culture	5~6	5 ~ 5	no information available ~ 5	5 ~ 6	5~5
Production links					
Joint-production assembly	5 ∼ no answer	5~4	5~4	5~4	no information available ~ 6
Production	5~5	no information available ~ 2	5 ~ 5	6~6	5 ~ 4
HRM	5 ~ 5	no information available ~ 5	no information available \sim 6	4~4	5 ~ 5

R&D	6~6	5 ~ 5	no information available ~ 4	4 ~ 6	no information available ~ 6
Service	5 ~ 4	no information available ~ 4	5 ~ 6	6~6	4 ~ 5
Sales	5~2	no information available ~ 3	Whose sales? The customers or their own sales? ~ 5	6~6	What kind of sales? ~ 6
Accounting	4 ~ 5	6 ~ 4	5 ~ 6	6~6	What does that mean? \sim no answer
Executive Management	4~3	5~5	5~6	6~6	5 ~ 5
Relationship links					
Acquisitions	4 ~ 4	What is the question? ~ 3	5 ~ 4	4~5	6~5
Supplier relationship	4 ~ 5	5 ~ 4	no information available ~ 4	5 ~ Not sure I understand teh [the, <i>sic</i>] question!!	5~6
Responsibility	3 ~ 4	5 ~ 4	no information available ~ 6	4~6	no information available ~ 6
Competitive and/or	6 ~ Airbus is worlwide	5 ~ 4	4~6	3~6	5 ~ 5

cooperative relationship	leader				
Marketing and market communication	5 ~ statement not comprehensible	5 ~ 4	no information available ~ 5	6~6	6 ~ 6
Selling points/partners	5~4	5 ~ 5	5 ~ 5	6~5	Don't understand statement. ~ 6
Shareholder/investor relationship (corporate reporting)	4 ~ 4	5 ~ 5	4 ~ 6	3 ~ 6	4 ~ 5
Customer relationship	4~4	5 ~ 6	4~6	5~6	no information available ~ 6

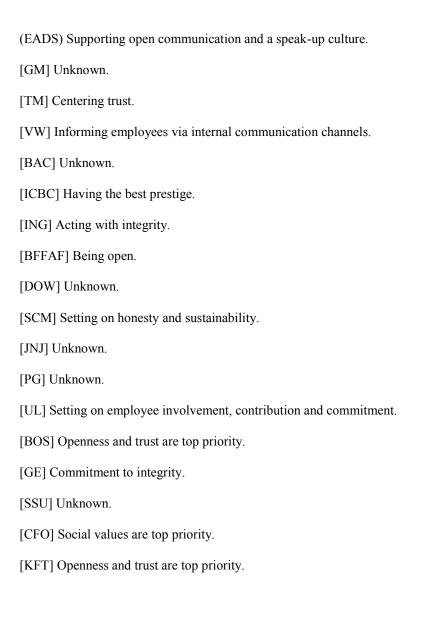
Table C.3: Interpretations of outcomes per aspect. The inner circle. WORK CULTURE (AVIC) Integrity is top priority. (BA) Together working people are the reason for being successful on the aircraft market. (EADS) Building a positive working climate. [GM] Unknown. [TM] Fostering individual creativity as well as teamwork. [VW] Unknown. [BAC] Being the best place for people to work. [ICBC] Focusing on humanity and prudence. [ING] Being open and clear. [BFFAF] Being creative. [DOW] Being pro-active. [SCM] Being diligent and open to learn. [JNJ] Employees have to be reflective of the diverse global marketplace. [PG] The interests of company and individual are inseparable.

[UL] Winning together with its people.



[SFTB] Being fair. [VIVEF] Teamwork and ethics are top priority. [DIS] Employing talented and motivated people. [RIO] Teamwork and integrity are top priority. [VALE] Improving together. [CAH] Unknown. [NVS] Unknown. [SZUKF] The employees' well-being is top priority. [DPD] Systematically addressing weaknesses. [JPP] Creativity and efficiency are top priority. [USP] Being flexible. [GOOG] Embracing collaboration and creativity. [IM] Valuing teamwork. [MHN] Having no fear of failure. [SDXAY] Valuing team spirit. [VE] Valuing teamwork. [SVNDY] Employing local workers. [CA] Work culture differs in the countries Carrefour operates in.

[WMT] Being committed to excellence. [T] Building up an open innovation environment. [DT] Teamwork is top priority. [NTT] Maximizing corporate value. [BTI] Supporting human rights. [ITYBF] Unknown. [JAPAF] Unknown. [AMR] Respect for individuals. [CRR] Achieving excellence. [DB] Flexibility and willingness to learn are top priority. [DLAKY] Employees become more and more international. [EON] Valuing integrity and courage. [PBR] Supporting entrepreneurship. [SU] Training employees. INTERNAL COMMUNICATION CULTURE [AVIC] Having a philosophy of commitment. [BA] Integrity is top priority.



[XOM] Open communication takes place. [RDSA] Respect for people is top priority. [SHI] Information and communication are top priority. [CAT] Integrity is top priority. [HHI] Centering trust and promises. [SGO] Openness and social dialogue are top priority. [AIG] Rewarding excellence. [AXA] Integrity and pragmatism are top priority. [LFC] Optimizing basic infrastructure. [HPQ] Commitment to employees is top priority. [PC] Unknown. [SI] Conviction and passion. [SFTB] Maintaining ethical standards. [VIVEF] Supporting cultural diversity. [DIS] Unknown. [RIO] Respect is top priority. [VALE] Unknown.

[NSRGY] Supporting leadership and personal responsibility.

[CAH] Unknown. [NVS] Supporting an active internal communications policy. [SZUKF] Unknown. [DPD] Respecting cultures. [JPP] Centering trust. [USP] Working out career development possibilities. [GOOG] Internal communication is top priority. [IM] Respect and integrity are top priority. [MHN] Unknown. [SDXAY] Unknown. [VE] Internal communication takes place. [SVNDY] Unknown. [CA] Carrefour's values are being committed, caring and positive. [WMT] Unknown. [T] Collaboration is meant to drive innovation. [DT] Respect is top priority. [NTT] Communication is top priority. [BTI] Unknown.

[ITYBF] Fostering strong communication and processes between teams. [JAPAF] Unknown. [AMR] Integrity is top priority. [CRR] Steadily optimizing internal communication culture. [DB] Building loyalty. [DLAKY] Internal communication culture intensifies, e.g. with a platform. [EON] Valuing openness. [PBR] Respecting diversity. [SU] Unknown. INCENTIVE CULTURE [AVIC] Being preeminent. [BA] Working in a diverse and involved team. [EADS] Growing together in an extended enterprise. [GM] Offering monetary incentives. [TM] Engaging the talent and passion of people. [VW] Having a long-term incentive plan. [BAC] Unknown.

[ICBC] Integrity leads to prosperity. [ING] Respecting each other. [BFFAF] Being entrepreneurial. [DOW] Unknown. [SCM] Pursuing excellence. [JNJ] Working out long-term incentives. [PG] Valuing personal mastery. [UL] Working out long-term incentives. [BOS] Supporting initiative, determination and entrepreneurship. [GE] Giving long- and short-term incentives. [SSU] Having a long-term incentive plan. [CFO] Being fair. [KFT] Providing health and well-being tools for employees. [NSRGY] Unknown. [XOM] Maximizing the employees' opportunities for success. [RDSA] Being honest. [SHI] Developing and evaluating incentive schemes. [CAT] Having compensation plans.

[HHI] Unknown. [SGO] Having a decentralized HRM. [AIG] Supporting entrepreneurship. [AXA] Providing an environment to empower people to become the best they can. [LFC] Having a remuneration and incentive system. [HPQ] Offering competitive compensation packages. [PC] Offering trainings. [SI] Valuing being excellent. [SFTB] Being free. [VIVEF] Providing monetary and non-monetary incentives. [DIS] Providing monetary and non-monetary incentives. [RIO] Accountability is top priority. [Vale] Valuing the workforce. [CAH] Offering a stimulating workplace. [NVS] Providing short- and long-term incentives as well as performance based incentives. [SZUKF] Employees shall fulfill their potential through work. [DPD] Being the employer of choice. [JPP] Observing ethical standards.

[USP] Providing monetary and non-monetary incentives. [GOOG] Giving employees the freedom to act on their ideas. [IM] Accountability is top priority. [MHN] Employee satisfaction is top priority. [SDXAY] Spirit of progress. [VE] Unknown. [SVNDY] Unknown. [CA] Setting incentives according to the different markets and cultures. [WMT] Valuing respect for associates. [T] Supporting an open innovation environment. [DT] Valuing integrity. [NTT] Unknown. [BTI] Unknown. [ITYBF] Having a long-term incentive plan. [JAPAF] Providing incentives. [AMR] Respect for the unique customs. [CRR] Challenging limits. [DB] Satisfying employees in order to satisfy customers.

[DLAKY] Offering financial bonuses and trainings. [EON] Valuing trust and mutual respect. [PBR] Being competent, ethical and cordiality. [SU] Providing a range of benefits to employees. INNOVATION CULTURE [AVIC] Innovation is top priority. [BA] Opening new frontiers. [EADS] Being dependent on innovation. [GM] Becoming more innovative. [TM] Innovation is top priority. [VW] Innovation is top priority. [BAC] Some innovation has to take place to convince existing and potential new customers. [ICBC] Being innovative. [ING] Some innovation has to take place to convince existing and potential new customers. [BFFAF] Innovation is a needful condition for finding answers to e.g. healthcare around the world. [DOW] Innovation is a needful condition for finding answers to e.g. healthcare around the world. [SCM] Innovation is a needful condition for finding answers to e.g. healthcare around the world.

[JNJ] Especially in the consumer goods industry, innovation is the basis of success.

[PG] Especially in the consumer goods industry, innovation is the basis of success.

[UL] Especially in the consumer goods industry, innovation is the basis of success.

[BOS] Being innovative.

[GE] Steadily innovating.

[SSU] Steadily innovating.

[CFO] Innovation is a combination of staff, social and entrepreneurial values.

[KFT] Providing innovative products.

[NSRGY] Pushing innovativeness.

[XOM] Supporting renewable and innovative energy projects.

[RDSA] Supporting renewable and innovative energy projects.

[SHI] Supporting renewable and innovative energy projects.

[CAT] Providing innovative, advanced and (energy) efficient solutions.

[HHI] Providing innovative, advanced and (energy) efficient solutions.

[SGO] Providing innovative, advanced and (energy) efficient solutions.

[AIG] Innovating for and with customers.

[AXA] Constantly searching for new and improved ways to innovate.

[LFC] Developing new products.

[HPQ] Innovation is top priority. [PC] Innovation is top priority. [SI] Being a pioneer. [SFTB] Being innovative. [VIVEF] Being innovative and creative, as stated in the seven values. [DIS] Focusing on innovativeness. [RIO] Technology and innovation are top priority aspects. [VALE] Unknown. [CAH] The pharmaceutics industry is mainly driven by innovations. [NVS] The pharmaceutics industry is mainly driven by innovations. [SZUKF] The pharmaceutics industry is mainly driven by innovations. [DPD] Providing inspiring exchange of ideas. [JPP] Constantly using innovative ideas to improve. [USP] To innovate products is top priority. [GOOG] Being creative, innovative and pioneering. [IM] Being creative, innovative and pioneering. [MHN] Being creative, innovative and pioneering. [SDXAY] Being creative, innovative and pioneering.

[VE] Being creative, innovative and pioneering.

[SVNDY] Innovation takes place in the field of own brands.

[CA] Being innovative is important to convince customers.

[WMT] Offering innovative products and services to convince customers.

[T] Driving innovation.

[DT] Opening up and expanding new growth areas.

[NTT] Especially technical and technological innovation are top priority.

[BTI] Being backed by industry-leading innovations.

[ITYBF] Focusing on innovation.

[JAPAF] Enhancing product innovation.

[AMR] Providing innovative services.

[CRR] Providing innovative services.

[DB] Working on innovative solutions for developing new market opportunities.

[DLAKY] Providing innovative services.

[EON] Providing cleaner and better energy.

[PBR] Being ready for change.

[SU] Committing to innovation.

PRODUCT CULTURE

[AVIC] Creating brand value.

[BA] Leveraging strength into new services and products.

[EADS] Introducing eco-efficient, high-quality products and services.

[GM] Delivering a product portfolio of the world's best vehicles.

[TM] High quality and safety are top priority.

[VW] Setting world standards with safe and attractive products.

[BAC] Convincing customers with somehow personalized products by focusing on customer wishes.

[ICBC] Selling excellent products and services.

[ING] Offering transparent products.

[BFFAF] Providing high-quality products and services.

[DOW] Revolutionizing the customer's products.

[SCM] Operating in five key areas: Energy, agriculture, chemicals, real estates and finance.

[JNJ] Providing high-quality products.

[PG] Setting priority to superior quality and value.

[UL] Helping people to look and feel good.

[BOS] Attempting to enhance life.

[GE] Being a technical leader.

[SSU] Producing beautiful, reliable and functional products.

[CFO] Providing healthy and nutritious food.

[KFT] Leading in health, wellness and sustainability.

[NSRGY] Offering high-quality products and brands.

[XOM] Providing high-quality products and services.

[RDSA] Providing reliable and safe energy supply.

[SHI] Steadily enhancing quality.

[CAT] Providing valued services and products.

[HHI] Developing advanced technologies.

[SGO] Providing products and services that customers want.

[AIG] Creating unmatched value with industry-leading products.

[AXA] Delivering segmented and compelling solutions.

[LFC] Producing traditional and participating products and satisfying the mass market are satisfied.

[HPQ] High quality is top priority.

[PC] Pursuing lean, speedy and global operations.

[SI] Offering efficient, partly personalized and intelligent solutions.

[SFTB] Inspiring people and make them smiling.

[VIVEF] Encouraging emotions digitally.

[DIS] Producing unparalleled entertainment by exceptionally telling a story in high quality. [RIO] Quality is top priority. [VALE] Being excellent. [CAH] Satisfying the market needs. [NVS] Discovering and developing and marketing healthcare products. [SZUKF] Innovative health creation. [DPD] Offering the best available solution. [JPP] Security and confidence are top priority. [USP] Providing secure and reliable services. I [GOOG] Improving the ways people connect with information. [IM] Delivering technology to the world. [MHN] Refreshing people physically and mentally. [SDXAY] Service spirit. [VE] Providing creative solutions able to reconcile growth in human activity with increasingly scarce resources. [SVNDY] Offering high-quality products. [CA] Looking for the best possible solution. [WMT] Centralizing price leadership. [T] Bringing people together and making them more productive.

[DT] Reliability is top priority. [NTT] Providing safe and secure communication. [BTI] Being balanced across consumer segments. [ITYBF] A unique portfolio with high quality brands is top priority. [JAPAF] Striving for quality. [AMR] Centering safety. [CRR] Quality is top priority. [DB] Providing logistics and mobility. [DLAKY] Centering safety. [EON] Providing climate-friendly and reliable energy supply. [PBR] Providing products and services that meet the clients' needs. [SU] Leading in safe products. EXTERNAL COMMUNICATION CULTURE [AVIC] Contributing to the nation. [BA] Being a global enterprise for aerospace leadership. [EADS] Delivering the best European technology.

[GM] Designing, building and selling the world's best vehicles.

[TM] Leading the way to the future of mobility.

[VW] Becoming the most fascinating and successful carproducer by 2018.

[BAC] Using external communication culture to convince customers.

[ICBC] Using external communication culture to convince customers.

[ING] Using external communication culture to convince customers.

[BFFAF] Creating chemistry for a sustainable future.

[DOW] Combining the power of science and technology with passionately innovating.

[SCM] Building a top international energy enterprise.

[JNJ] Being responsible to product users, communities and stockholders.

[PG] Improving the lives of the world's consumers, now and for generations to come.

[UL] Inspiring people to improve something to make a big difference in the world.

[BOS] Having a future and result focus.

[GE] Solving tough global problems by bringing big ideas to life.

[SSU] Inspiring the world and creating the future.

[CFO] Providing healthy nutrition to customers.

[KFT] Providing safe food.

[NSRGY] Being the leading nutrition, health and wellness company.

[XOM] Being a good corporate citizen.

[RDSA] Being interrelated with communities, customers, governments and non-governmental organizations.

[SHI] Developing and contributing to the country.

[CAT] Being a genuine enabler of sustainable world progress and opportunity.

[HHI] Facing the challenges.

[SGO] Building the homes of the future.

[AIG] Working honestly.

[AXA] Adequate citizenship in the society the company acts in is top priority.

[LFC] Strengthening communication.

[HPQ] Advancing human progress by HP products.

[PC] Advancing new concepts regarding the life and image of society.

[SI] Being a global powerhouse.

[SFTB] Sharing of wisdom and knowledge gained through the IT revolution.

[VIVEF] E.g. presenting the company on events.

[DIS] Being unique.

[RIO] Interacting with customers.

[VALE] Transforming natural resources into prosperity and sustainable development.

[CAH] Being future-focused while making bold new strides today.

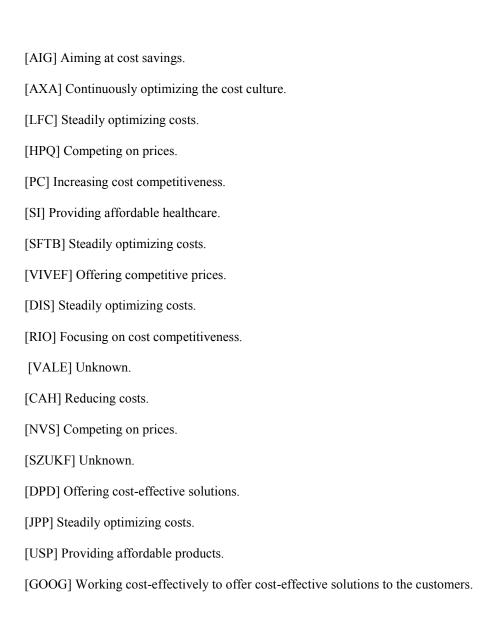
[NVS] Increasing quality of life and curing diseases.

[SZUKF] Contributing to the improvement of health on Earth. [DPD] Transparency is top priority. [JPP] Creating value. [USP] Being market dominant and competitive. [GOOG] Transparency and open dialog are top priority. [IM] Providing unique offerings. [MHN] Expressing dreams. [SDXAY] Being a true force in turbulent times. [VE] Being a world leader in environmental services. [SVNDY] Offering safe products. [CA] Being client-oriented. [WMT] Valuing respect for customers. [T] Empowering people and community. [DT] Offering user-friendly products and services. [NTT] Communication with the global environment is top priority. [BTI] Seeking to reduce the harm caused by products. [ITYBF] Having a balanced market footprint and a unique portfolio. [JAPAF] Communicating especially Japan Tobacco Group's responsibility to win consumer trust.

[AMR] Respecting cultures and communities.

[CRR] Becoming a top-class leading company in the field of worldwide transport and travel. [DB] Becoming a top-class leading company in the field of worldwide transport and travel. [DLAKY] Reliability is top priority. [EON] Developing key energy supply technologies. [PBR] Focusing on the home country's wellbeing. [SU] Having an excellent suite of growth projects. COST CULTURE [AVIC] Unknown. [BA] Continuing cost reduction efforts. [EADS] Unknown. [GM] Having a competitive cost structure. [TM] Being cost competitive. [VW] Reducing costs permanently. [BAC] Providing competitive prices. [ICBC] Providing competitive prices. [ING] Providing competitive prices.

[BFFAF] Being cost-efficient. [DOW] Steadily optimizing costs. [SCM] Strengthening cost management. [JNJ] Constant cost reductions are top priority. [PG] Continuously working out cost savings. [UL] Having a strong cost discipline. [BOS] Continuing cost reduction efforts. [GE] Focusing on affordable innovation. [SSU] Improving cost efficiencies. [CFO] Steadily optimizing costs. [KFT] Focusing on cost competitiveness. [NSRGY] Steadily optimizing costs. [XOM] Offering competitive prices. [RDSA] Reducing costs. [SHI] Reducing costs. [CAT] Cost competitiveness is top priority. [HHI] Reducing costs. [SGO] Aiming at cost savings.



[IM] Being cost-effective. [MHN] Unknown. [SDXAY] Continuously reducing costs. [VE] Reducing costs. [SVNDY] Aiming at reasonable prices. [CA] Minimizing costs to guarantee low prices. [WMT] Setting on minimizing costs. [T] Offering different price levels to differentiate from competitors. [DT] Offering fairly priced products. [NTT Steadily optimizing costs. [BTI] Being balanced across price points. [ITYBF] Setting on cost optimization. [JAPAF] Enhancing the cost-competitiveness. [AMR] Cost reduction efforts take place. [CRR] Aiming at international competitiveness. [DB] Offering competitive prices. [DLAKY] Having a competitive price- and cost structure. [EON] Providing affordable prices.

[PBR] Operating profitably. [SU] Centering low costs. GOVERNANCE CULTURE [AVIC] Financial goals are top priority. [BA) Running healthy core businesses. [EADS] Remembering European roots by simultaneously having a global footprint. [GM] Becoming more efficient. [TM] Respecting and honoring the laws, cultures, customs and languages of the countries Toyota operates in. [VW] Becoming the economical and ecological leader by 2018. [BAC] Pursuing operational excellence in both efficiency and risk management. [ICBC] Pushing forward the optimization of business structure and income mix. [ING] Giving answers to simplicity, reliability and transparency. [BFFAF] Adding value as one company. [DOW] Being highly principled. [SCM] Integration is top priority. [JNJ] Having a decentralized management approach. [PG] Efficiency and speed are top priority.

[UL] Making continuous improvements. [BOS] Setting on focused diversification. [GE] Growth starts here. [SSU] Maintaining a clean organizational structure. [CFO] Transparency is top priority. [KFT] Growth is the consequence of Kraft's strategy. [NSRGY] Creating shared value is the philosophy. [XOM] Fostering growth. [RDSA] Fostering growth. [SHI] Fostering growth. [CAT] Working on superior results. [HHI] Optimizing the business structure. [SGO] Driving internal growth. [AIG] Valuing honest work to enhance reputation. [AXA] Aiming for sustainable growth. [LFC] Regional development takes place. [HPQ] Innovation at management is top priority. [PC] Aiming at sustained growth in corporate value.

[SI] Aiming at capital-efficient growth.

[SFTB] Enhancing the management organization to build a solid foundation in order to raise value.

[VIVEF] Aiming at high-growth potentials.

[DIS] Facing challenges.

[RIO] Becoming the sector leading global mining and metals company.

[VALE] Setting on investments to enhance competitiveness and to develop globally.

[CAH] Being innovative by simultaneously adapting.

[NVS] Accelerating growth by responding to key market opportunities.

[SZUKF] Working on increasing long-term corporate value.

[DPD] Being proactive.

[JPP] Establishing effective corporate governance and compliance programs.

[USP] Speed is top priority.

[GOOG] Building open platforms and creating infrastructure.

[IM] Continuously optimizing productivity.

[MHN] Seeking new challenges.

[SDXAY] Having a unique global network.

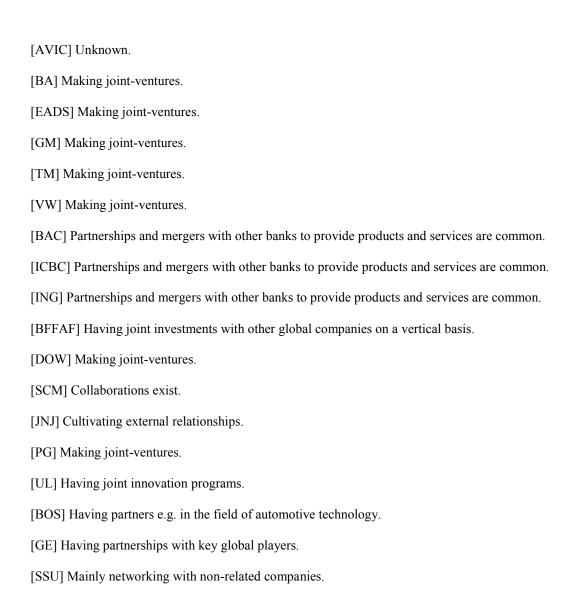
[VE] Valuing performance.

[SVNDY] Standardization takes place.

[CA] Standardization takes place. [WMT] Standardization takes place in all countries. [T] Fostering growth. [DT] Fostering growth. [NTT] Fostering expansion and growth. [BTI] Committing to productivity. [ITYBF] Driving sustainable sales growth. [JAPAF] Enhancing productivity. [AMR] Changing continuously. [CRR] Being a harmonious corporation. [DB] Changing continuously. [DLAKY] Changing continuously. [EON Playing a leading role. [PBR] Being a publicly traded company. [SU] Being locally present.

The outer circle.

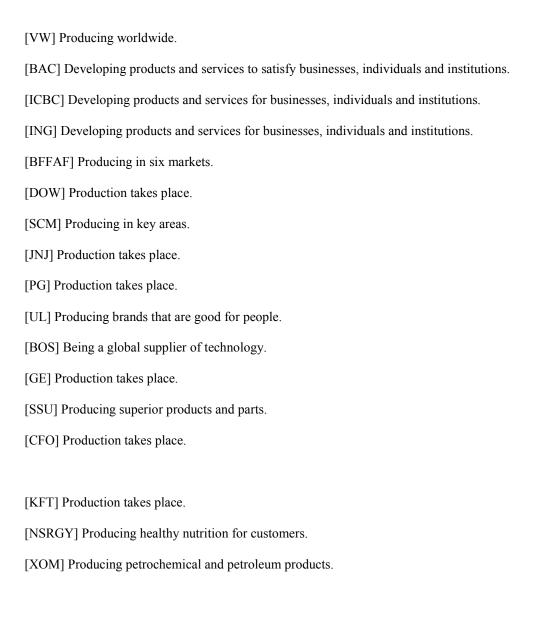
JOINT PRODUCTION ASSEMBLY



[CFO] Setting on worldwide partnerships. [KFT] Underlining the importance of partnerships. [NSRGY] Having joint-ventures. [XOM] Making joint-ventures. [RDSA] Making mergers. [SHI] Following the company's philosophy of honesty and integrity for win-win cooperation. [CAT] Unknown. [HHI] Making joint-ventures. [SGO] Making joint-ventures. [AIG] Unknown. [AXA] Unknown. [LFC] Joint financing and construction takes place. [HPQ] Having joint-ventures and strategic alliances with complementary businesses. [PC] Having partnerships for special products. [SI] Having partnerships for special products. [SFTB] Making joint-ventures. [VIVEF] Co-productions take place. [DIS] Inviting companies to partner with Walt Disney.

[RIO] Making joint-ventures. [VALE] Making joint-ventures. [CAH] Fostering strategic business relationships and searching for partners. [NVS] Alliances exist. [SZUKF] Joint development contracts and joint ventures exist. [DPD] Making joint-ventures. [JPP] Mutual cooperation takes place. [USP] Having contracts with small, minority-owned as well as women-owned businesses. [GOOG] Having partnerships with e.g. content companies. [IM] Being an indispensable business partner. [MHN] Unknown. [SDXAY] Having long-term partnerships with external organizations. [VE] Making joint-ventures. [SVNDY] Joint procurement of raw materials and products. [CA] Joint-production assembly with local suppliers takes place. [WMT] Joint-production assembly with local suppliers takes place. [T] Making joint-ventures. [DT] Planning partnerships for the future.

[NTT] Having some partnerships with manufacturers. [BTI]Unknown. [ITYBF] Making joint-ventures. [JAPAF] Making joint-ventures. [AMR] Alliances exist. [CRR] Being a diversified company. [DB] Working across boundaries to achieve goals. [DLAKY] Partnerships are of strategic importance. [EON] Having joint-ventures. [PBR] Unknown. [SU] Having e.g. joint-venture operated retail stations. PRODUCTION [AVIC] Providing military and commercial products and services. [BA] Production takes place. [EADS] Delivering products that meet expectations. [GM] Producing worldwide. [TM] Just in time production takes place.



[RDSA] Fostering production growth in the medium term. [SHI] Producing electrical and mechanical equipment and technology. [CAT] Production takes place. [HHI] Optimizing production. [SGO] Production takes place. [AIG] Risk management has to take place. [AXA] Providing products and services. [LFC] Business mix restructuring takes place. [HPQ] Competing on the range of products. [PC] Steadily optimizing the production. [SI] Pilot and series production takes place. [SFTB] Some production takes place. [VIVEF] Producing and publishing content. [DIS] Production takes place. [RIO] Offering five product groups. [VALE] Steadily increasing production capabilities. [CAH] Production takes place. [NVS] Producing in five key business areas.

[SZUKF] Production takes place.

[DPD] Producing internally, but also outsourcing some products.

[JPP] Producing e.g. stamps.

[USP] Producing internally, but also outsourcing some products.

[GOOG] A production in the classical sense does not take place.

[IM] A production in the classical sense does not take place.

[MHN] Building places where people can experience joy and comfort.

[SDXAY] Designing, managing and delivering services.

[VE] Production takes place.

[SVNDY] Buying products instead of producing them.

[CA] Buying products instead of producing them.

[WMT] Buying products instead of producing them.

[T] Offering attractive products and services.

[DT] Being a multiple product company.

[NTT] Supporting e.g. software production.

[BTI] Producing high-quality tobacco products.

[ITYBF] Producing several tobacco products.

[JAPAF] Producing tobacco products, food and pharmaceutics.

[AMR] Centering excellent quality. [CRR] Creating enterprise value. [DB] Offering quality. [DLAKY] Centering excellent quality. [EON] Production takes place. [PBR] Operating in a safe manner. [SU] Producing oil, natural gas, wind-generated electricity and ethanol. HRM[AVIC] Inspiring employees to advance bravely. [BA] Continually learning and sharing ideas and knowledge. [EADS] Asking employees to make compliant and ethical decisions. [GM] Unknown. [TM] The workforce shall meet challenges. [VW] Being responsible with respect to employees. [BAC] Optimizing HRM to guarantee high class service. [ICBC] Upgrading human resources and manage human resources. [ING] Optimizing HRM to guarantee high class service.

[BFFAF] Forming the best team. [DOW] HRM is top priority. [SCM] Developing with the employees. [JNJ] Being responsible to employees. [PG] The people shall prosper. [UL] Improving with the people. [BOS] Quality of work is top priority. [GE] HRM is top priority. [SSU] Creating value for employees. [CFO] Maximizing interests. [KFT]Trust of employees is top priority. [NSRGY] Supporting home-grown, local talent working. [XOM] The high quality of employees is the company's highest strength. [RDSA] HRM is top priority. [SHI] Employees have to benefit from Sinopec. [CAT] Attracting and developing the best talents. [HHI] Creating value. [SGO] Enhancing reputation and attractiveness for current and future employees.

[AIG] Developing talents. [AXA] Being the preferred company for employees. [LFC] HRM is top priority. [HPQ] Aiming at hiring and retaining qualified personnel. [PC] Satisfying employees. [SI] Following a sustainable human resource policy. [SFTB] HRM is top priority. [VIVEF] Strengthening the competitive position with HRM. [DIS] Obtaining human resources. [RIO] Safety is top priority in the business. [VALE] Safety is top priority in the business. [CAH] Having the best people working for Cardinal Health. [NVS] HRM is top priority. [SZUKF] Employees are committed to be good family members. [DPD] Long-term employee relationship is top priority. [JPP] Creating opportunities for employees.

[USP] Becoming a smarter, leaner and faster organisation.

[GOOG] HRM is top priority.

[IM] HRM is top priority.

[MHN] Having strong relationships by sharing delights and helping each other.

[SDXAY] Improving the employees' quality of life.

[VE] Implementing the global human resource policy by local leadership.

[SVNDY] Strengthening HRM.

[CA] Employees have to be client-oriented.

[WMT] Searching for service-oriented and respectful employees.

[T] The number of employees steadily increases.

[DT] Offering many possibilities to perform and grow.

[NTT] Meeting employees' expectations.

[BTI] Being a winning company that attracts, develops and retails people.

[ITYBF] Valuing individuals and teams.

[JAPAF] Developing human resources as a cornerstone of growth.

[AMR] Labor and unions relations are top priority.

[CRR] The number of employees steadily increases.

[DB] Convincing employees by Deutsche Bahn possibilities.

[DLAKY] Providing long-term prospects for staff.

[EON] E.ON employees all over the world shape the future.

[PBR] Making employees being proud to be Petrobras. [SU] Unknown. R&D[AVIC] Aviation products research and development. [BA] R&D is top priority. [EADS] R&D is top priority. [GM] R&D takes place. [TM] Supporting R&D worldwide. [VW] Supporting external and internal R&D. [BAC] Unknown. [ICBC] Exploring new areas of universal banking framework. [ING] Unknown. [BFFAF] R&D is top priority. [DOW] R&D is top priority. [SCM] R&D is top priority. [JNJ] Fostering R&D. [PG] Fostering R&D.

[UL] Fostering R&D. [BOS] The industry is very future-oriented. [GE] The industry is very future-oriented. [SSU] The industry is very future-oriented. [CFO] R&D takes place. [KFT] R&D is top priority. [NSRGY] Supporting local R&D. [XOM] Being innovative and responsive. [RDSA] R&D is top priority. [SHI] R&D is top priority. [CAT] R&D takes place. [HHI] Focusing on five R&D areas. [SGO] R&D takes place. [AIG] Unknown. [AXA] Redefining the standards of AXA's business. [LFC] Unknown. [HPQ] R&D is top priority. [PC] Having R&D sites worldwide.

[SI] Forging ahead into uncharted territory. [SFTB] Carrying out R&D. [VIVEF] Innovations in new services, new uses and new technologies are top priority. [DIS] Some R&D takes place. [RIO] Research and development is less important than in other industries. [VALE] Research and development is less important than in other industries. [CAH] R&D is top priority in the pharma industry. [NVS] R&D is top priority in the pharma industry. [SZUKF] R&D is top priority in the pharma industry. [DPD] R&D does not take place in a narrower sense. [JPP] Being a source of change. [USP] R&D does not take place in a narrower sense. [GOOG] Launching innovative products early and often, then iterating rapidly to make those products even better. [IM] Unknown. [MHN] Never being satisfied with the current situation. [SDXAY] R&D takes place. [VE] R&D is top priority.

[SVNDY] Offering new products under the own brand names.

[CA] Transformation has to take place. [WMT] Unknown. [T] Research on new technologies takes place. [DT] R&D takes place. [NTT] Aiming at advances. [BTI] R&D teams work on innovations. [ITYBF] R&D takes place in the field of products, production and marketing. [JAPAF] Enhancing R&D capability. [AMR] Unknown. [CRR] Sticking to scientific development. [DB] Continuously improving. [DLAKY] Working on fuels, aircraft concepts and engines. [EON] Focusing on renewable energy. [PBR] Focusing on renewable energy. [SU] Focusing on renewable energy. SERVICE [AVIC] Building an integrated network.

[BA] Offering an extensive customer support services network.

[EADS] Delivering services that meet expectations.

[GM] Offering related services.

[TM] Besides automobile, further business sections of Toyota exist, as e.g. financial services, housing, marine, afforestation and biotechnology.

[VW] An additional business unit is Volkswagen Financial Services.

[BAC] Providing exemplary and fine service to convince customers.

[ICBC] Providing exemplary and fine service to convince customers.

[ING] Providing superior service to convince customers.

[BFFAF] Offering services, e.g. in the plastics segment.

[DOW] Offering customer services.

[SCM] Operating e.g. in finance and real estate.

[JNJ] Offering additional services.

[PG] Providing branded services.

[UL] Offering services.

[BOS] Being a global supplier of services.

[GE] Offering growth with customer service.

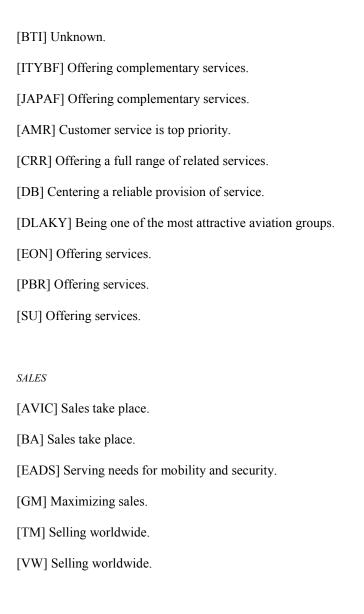
[SSU] Offering e.g. financial services.

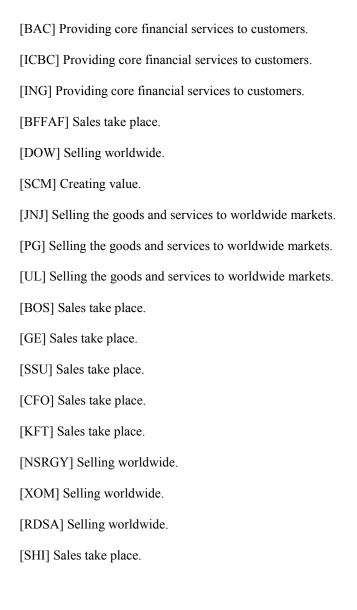
[CFO] Providing real estate, hotel and tourism and financing.

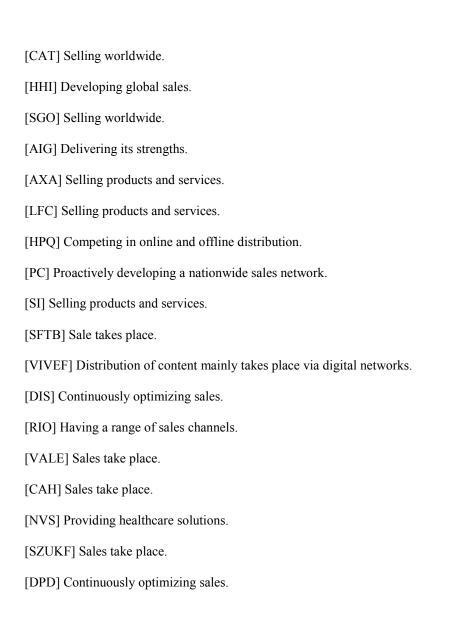
[KFT] Providing answers to consumer questions via contact centers.

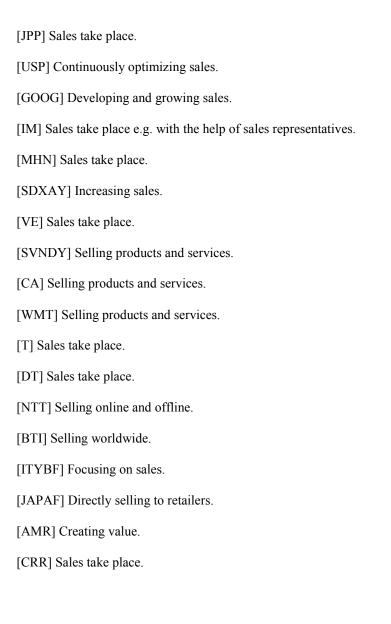
[NSRGY] Offering services. [XOM] Offering high-quality services. [RDSA] Implementing business service center. [SHI] Providing industrial investment. [CAT] Providing services, as e.g. Caterpillar Remanufacturing, financial, Logistics as well as Progress Rail Services. [HHI] Offering services. [SGO] Designing e.g. building material. [AIG] Exceeding customers' expectations. [AXA] Providing excellent service. [LFC] The quality of service is top priority. [HPQ] Competing on the range of services. [PC] Creating innovative new services. [SI] Providing excellent service. [SFTB] Offering high-quality services. [VIVEF] Creating innovative new services. [DIS] Offering great service. [RIO] Offering services.

[VALE] Offering e.g. logistics services. [CAH] Offering innovative services. [NVS] Competing on customer service. [SZUKF] Offering healthcare-related services. [DPD] Offering logistics and communication services. [JPP] Providing the best possible services. [USP] Offering mailing and shipping services, international products and retail products and services. [GOOG] Being a service provider. [IM] Being a service provider. [MHN] Being a service provider. [SDXAY] Being a service provider. [VE] Being a service provider. [SVNDY] Offering some low-level services besides sales. [CA] Offering some low-level services besides sales. [WMT] Offering some low-level services besides sales. [T] Providing excellent service. [DT] Service and network quality are top priority. [NTT] Offering high-quality services.









[DB] Providing end-to-end travel and logistical chains across all modes of transport. [DLAKY] Creating value. [EON] Sales take place. [PBR] Sales take place. [SU] Selling to retail, commercial and industrial customers. ACCOUNTING [AVIC] Capital operation is top priority. [BA] Accounting takes place according to accepted principles. [EADS] Ensuring sustainable profitability. [GM] Remaining profitable. [TM] Unknown. [VW] Accounting takes place according to accepted principles. [BAC] Building a fortress balance sheet. [ICBC] Providing best profitability. [ING] Valuing money. [BFFAF] Accounting takes place according to accepted principles. [DOW] Being lawful.

[SCM] Accounting takes place according to accepted principles.

[JNJ] Driving superior business results.

[PG] Accounting takes place according to accepted principles.

[UL] Accounting takes place according to accepted principles.

[BOS] Pointing to financial freedom.

[GE] Promoting a culture that demands financial accountability.

[SSU] Accounting takes place according to accepted principles.

[CFO] Accounting takes place.

[KFT] Holding oneself accountable.

[NSRGY] Gaining measurable financial objectives.

[XOM] Achieving superior operating and financial results.

[RDSA] Accounting takes place according to accepted principles.

[SHI] Accounting takes place.

[CAT] Staying sustainable.

[HHI] Accounting takes place according to accepted principles.

[SGO] Staying sustainable.

[AIG] Being accountable.

[AXA] Accounting takes place.

[LFC] Accounting takes place in accordance with Chinese law.

[HPQ] Profit is top priority.

[PC] Accounting takes place according to accepted principles.

[SI] Continuously optimizing the capital structure.

[SFTB] Maximizing the value through the IT revolution.

[VIVEF] Accounting takes place according to accepted principles.

[DIS] Accounting takes place according to accepted principles.

[RIO] Calling for disciplined capital management.

[VALE] Calling for disciplined capital management.

[CAH] Accounting takes place according to accepted principles.

[NVS] Optimizing results.

[SZUKF] Accounting takes place according to accepted principles.

[DPD] Accounting takes place according to accepted principles.

[JPP] Transparency is top priority.

[USP] Accounting takes place according to accepted principles.

[GOOG] Accounting takes place according to accepted principles.

[[IM] Accounting takes place according to accepted principles.

[MHN] Accounting takes place according to accepted principles.

[SDXAY] Underlining the independence and a solid financial model.

[VE] Accounting takes place according to accepted principles.

[SVNDY] Accounting is top priority to guarantee low prices.

[CA] Accounting is top priority to guarantee low prices.

[WMT] Accounting is top priority to guarantee low prices.

[T] Accounting takes place according to accepted principles.

[DT] I am T – count on me.

[NTT] Clarifying accountability.

[BIT] Increasing profit.

[ITYBF] Setting on effective cash utilisation.

[JAPAF] Continuously improving.

[AMR] Accounting takes place according to accepted principles.

[CRR] Accounting takes place according to Chinese rights.

[DB] Accounting takes place.

[DLAKY] Being strategically prepared to economic ups- and downs.

[EON] Accounting takes place according to accepted principles.

[PBR] Aiming at sustainable development.

[SU] Accounting takes place according to accepted principles.

EXECUTIVE MANAGEMENT

[AVIC] Becoming a global acting company.

[BA] Being a global enterprise.

[EADS] Centering a fair competition.

[GM] The automobile industry is one of the most globalised industries.

[TM] The automobile industry is one of the most globalised industries.

[VW] The automobile industry is one of the most globalised industries.

[BAC] Risk management is made.

[ICBC] Establishing a global and multi-functional service chain.

[ING] Steadily improving in operational performance.

[BFFAF] Driving sustainable solutions.

[DOW] Executing for today and building for tomorrow.

[SCM] Becoming a great respectable global company.

[JNJ] Maximizing the global power of diversity and inclusion.

[PG] Executive management takes place in accordance with the five core strengths.

[UL] Working to create a better future every day.

[BOS] Focusing on the global market.

[GE] Focusing on the global market. [SSU] Focusing on the global market. [CFO] Performance is top priority. [KFT] Competing fairly and respecting the free market are articulated as company values. [NSRGY] Having an unmatched global presence. [XOM] Concentrating on long-term approaches. [RDSA] Consistency is top priority. [SHI] Developing the business by simultaneously contributing to the country. [CAT] Being a worldwide leader. [HHI] Becoming a global leader. [SGO] Being a European and worldwide leader. [AIG] Sustainable growth is top priority. [AXA] Operating in and with any French or foreign company or business. [LFC] Sustainable growth is top priority. [HPQ] Sustainable growth is top priority. [PC] Becoming a global excellent company. [SI] Supporting local entrepreneurship and local value creation. [SFTB] Evolving together with business partners.

[VIVEF] Pursuing a sustainable development policy. [DIS] Unknown. [RIO] Centering growth. [VALE] Centering growth. [CAH] Being the healthcare industry leader. [NVS] The Executive Committee coordinates the Group's day-to-day business operations. [SZUKF] Creating new value. [DPD] Remaining a leader in Germany and the rest of the world. [JPP] Pursuing managerial transparency. [USP] Changing to respond to customer needs and business environment. [GOOG] Organizing the world's information and making it universally accessible and useful. [IM] High-quality execution is top priority. [MHN] Being a pioneering company. [SDXAY] Working on global leadership. [VE] Managing societal, environmental and social performance. [SVNDY] Being organized in a pure holding company system. [CA] Some standardization takes place. [WMT] Standardizing executive management in all countries.

[T] Making continuous improvements. [DT] Being an integrated telecommunication company. [NTT] Raising the effectiveness of corporate governance. [BTI] Growing share in the key markets. [ITYBF] Execution excellence is top priority. [JAPAF] Understanding and respecting the diversity of societies and individuals. [AMR] Compliance with the law. [CRR] Being a harmonious corporation. [DB] Internationalizing the network of all transport modes. [DLAKY] Sustainable value creation. [EON] Being a global actor. [PBR] Being one important global energy company by 2020. [SU] Successfully competing globally. The relationship frame. ACQUISITIONS [AVIC] Making mergers. [BA] Some acquisitions take place.

[GM] Some acquisitions take place. [TM] Some acquisitions take place. [VW] Some acquisitions take place. [BAC] Owning shares of other banks. [ICBC] Owning shares of other banks. [ING] Owning shares of other banks. [BFFAF] Making acquisitions. [DOW] Making acquisitions. [SCM] Making mergers and acquisitions. [JNJ] Making acquisitions. [PG] Making acquisitions. [UL] Making acquisitions. [BOS] Some acquisitions take place. [GE] Having strategic acquisitions. [SSU] Making acquisitions to grow. [CFO] Unknown. [KFT] Some acquisitions take place.

[EADS] Some acquisitions take place.

[NSRGY] Strengthening the position through acquisitions.

[XOM] Making acquisitions to realize growth.

[RDSA] Making acquisitions to realize growth.

[SHI] Making acquisitions to realize growth.

[CAT] Making strategic acquisitions.

[HHI] Making some acquisitions.

[SGO] Making acquisitions.

[AIG] Pursuing some acquisitions in accordance to strategy.

[AXA] Acquisitions take place in order to grow.

[LFC] Acquisitions take place in order to guarantee growth.

[HPQ] Making acquisitions to continuously build the portfolio.

[PC] Making alliances, mergers and acquisitions.

[SI] Making acquisitions to grow and innovate.

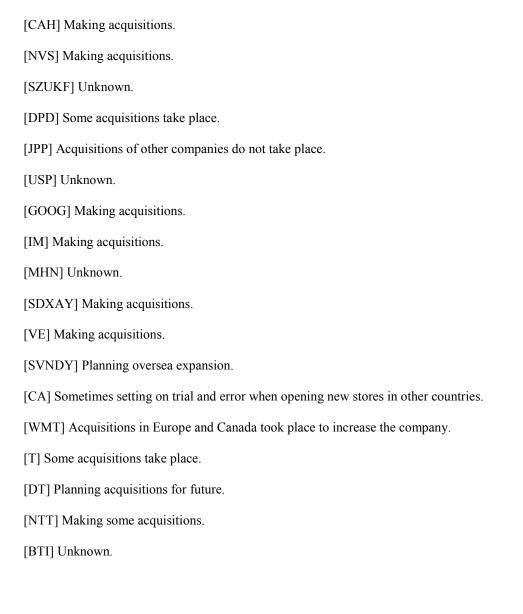
[SFTB] Making some acquisitions.

[VIVEF] Making acquisitions to grow.

[DIS] Making acquisitions to strengthen the portfolio.

[RIO] Making mergers and acquisitions to grow organically.

[VALE] Making strategic acquisitions.



[ITYBF] Numerical acquisitions take place. [JAPAF] Making acquisitions. [AMR] Making acquisitions to grow. [CRR] Acquisitions take place to enable company growth. [DB] Making some acquisitions. [DLAKY] Making acquisitions to grow. [EON] Making acquisitions. [PBR] Making acquisitions. [SU] Making acquisitions. SUPPLIER RELATIONSHIP [AVIC] Making partnerships. [BA] Being dependent upon the ability of a large number of suppliers and subcontractors. [EADS] Fair relationship with suppliers is top priority. [GM] Vertical cooperations exist. [TM] Respecting the business partners, as e.g. suppliers. [VW] Vertical cooperations exist. [BAC] Unknown.

[ICBC] Unknown. [ING] Unknown. [BFFAF] Having a logistics verbund. [DOW] University cooperations exist. [SCM] Having partnerships with domestic suppliers. [JNJ] Having strategic relationships, e.g. with suppliers. [PG] Setting on supplier diversity. [UL] Having strategic relationships, e.g. with suppliers. [BOS] Partnering in the field of research. [GE] Having a global research network. [SSU] Partnerships exist. [CFO] Related companies are called counterparts. [KFT] Trust of suppliers is top priority. [NSRGY] Cultivating long-term relationships with local suppliers. [XOM] Dealing fairly with suppliers is top priority. [RDSA] Having long-term contracts with suppliers. [SHI] Cooperating with suppliers. [CAT] Supplier relationships are top priority.

[HHI] Fostering clean and fair relationships with suppliers. [SGO] Making cooperations in the field of research. [AIG] Unknown. [AXA] Unknown. [LFC] Unknown. [HPQ] Having multiple suppliers to stay flexible. [PC] Partnering in the field of research. [SI] Partnering e.g. in the field of research. [SFTB] Being stuck to the suppliers in the short run. [VIVEF] Committing to suppliers. [DIS] Unknown. [RIO] Pointing to collaborative partnerships with universities and equipment producers. [VALE] Aiming at productive partnerships with suppliers. [CAH] Consolidating pharmaceutical from hundreds of manufacturers and setting on supplier diversity. [NVS] Having an open and transparent communication with suppliers. [SZUKF] Unknown. [DPD] Buying all-inclusive packages from high-performance suppliers. [JPP] Unknown.

[USP] Setting on supplier diversity. [GOOG] Unknown. [IM] Having long-term partnerships with suppliers. [MHN] Unknown. [SDXAY] Having partnerships. [VE] Developing efficient and responsible relations with suppliers. [SVNDY] Product availability is top priority, thus supplier relationships exist. [CA] Making large orders to guarantee low prices. [WMT] Valuing respect of suppliers. [T] It is not easy to compensate supplier problems. [DT] University cooperations exist. [NTT] Meeting business partner's expectations. [BTI] Ensuring high standard among suppliers. [ITYBF] Developing stronger relationships with supplier. [JAPAF] Unknown. [AMR] Being dependent on fuel prices. [CRR] Having a couple of suppliers whose bargaining power is not very high. [DB] Unknown.

[DLAKY] Being dependent on fuel prices. [EON] Unknown. [PBR] Intensifying partnerships with suppliers. [SU] Unknown. RESPONSIBILITY [AVIC] Supporting especially social projects. [BA] Environmental and social responsibility are top priority. [EADS] Responsible sourcing is top priority. [GM] Fostering responsibility. [TM] Focusing on social and environmental needs. [VW] Focusing on social and environmental needs. [BAC] Supporting social projects. [ICBC] Contributing to society. [ING] Supporting social and environmental projects. [BFFAF] Responsibility is top priority. [DOW] Addressing world challenges. [SCM] Reaching harmony with the nature and having an impact on China.

[JNJ] Responsibility is top priority.

[PG] Being environmentally and socially sustainable. [UL] Responsibility is top priority. [BOS] Being socially and environmentally responsible. [GE] Responsibility is top priority. [SSU] Responsibility is top priority. [CFO] Fostering responsibility in social and environmental features. [KFT] Fostering responsibility in social and environmental features. [NSRGY] Fostering responsibility in social and environmental features. [XOM] Responsibility is of special interest. [RDSA] Responsibility is of special interest. [SHI] Responsibility is of special interest. [CAT] Responsibility is top priority. [HHI] Responsibility is top priority. [SGO] Responsibility is top priority. [AIG] Unknown. [AXA] Having cooperations with non-profit organizations aiming to reduce impact on environment. [LFC] Offering micro-insurance products.

[HPQ] Responsibility is top priority.

[PC] Responsibility is top priority. [SI] Responsibility is top priority. [SFTB] Having formulated seven CSR directions. [VIVEF] One of Vivendi's seven values is corporate responsibility. [DIS] Focusing on charitable contributions to society while simultaneously trying to have an impact on environmental issues. [RIO] Integrating economic, social and environmental issues shall be integrated and managed with responsibility. [VALE] Integrating economic, social and environmental issues shall be integrated and managed with responsibility. [CAH] Underscoring that working in the field of healthcare itself is responsible. [NVS] Taking care of people and communities and the environment. [SZUKF] Working for the world and the people. [DPD] Being the leading provider of climateneutral products and energy-efficient transport. [JPP] Environmental and social responsibility are top priority. [USP] Environmental and social responsibility are top priority. [GOOG] Supporting green initiatives. [IM] Responsibility is top priority. [MHN] Responsibility is top priority. [SDXAY] Responsibility is top priority.

[VE] Responsibility is top priority.

[SVNDY] Reducing emissions.

[CA] Meeting environmental, human and society needs.

[WMT] Being a leader with respect to corporate responsibility.

[T] Responsibility is top priority.

[DT] Responsibility is top priority.

[NTT] Responsibility is top priority.

[BTI] Especially in the field of tobacco manufacturing, companies try to be responsible.

[ITYBF] Especially in the field of tobacco manufacturing, companies try to be responsible.

[JAPAF] Especially in the field of tobacco manufacturing, companies try to be responsible.

[AMR] Defining responsibility in seven high-priority issues.

[CRR] Focusing on environmental and social aspects.

[DB] Being an eco-pioneer.

[DLAKY] Supporting social projects, education, sports and culture.

[EON] Offering e.g. social tariffs for people in need.

[SU] Centralizing social and environmental responsibility.

[SU] Centering social needs.

COMPETITIVE AND/OR COOPERATIVE RELATIONSHIP

[AVIC] Having no competitors, only partners.

[BA] Being a global leader.

[EADS] Aiming at being the worldwide leader in aircraft by 2020. To gain leadership, EADS explains its competitive advantage as delivering the best of European technology.

[GM] Having cooperations with automobile companies.

[TM] Competing fairly and freely.

[VW] Having cooperations with automobile companies.

[BAC] Making partnerships and mergers with other banks.

[ICBC] Making partnerships and mergers with other banks.

[ING] Making partnerships and mergers with other banks.

[BFFAF] Creating competitive advantages.

[DOW] Staying competitive.

[SCM] Being a role model in the industry.

[JNJ] Having a sustainable competitive advantage.

[PG] Clearly defining the leadership position.

[UL] Leading globally in the majority of the businesses the company operates in.

[BOS] Striving for a leading market position.

[GE] Working on technical investments ahead of the competition.

[SSU] Having a differentiated product competitiveness that makes the company a leader.

[CFO] Setting on industry leadership.

[KFT] Being a leader.

[NSRGY] Having an unrivalled portfolio.

[XOM] Aspiring to be at the leading edge of competition.

[RDSA] Being competitive.

[SHI] Becoming globally competitive.

[CAT] A competitive advantage is top priority.

[HHI] Maximizing global competitiveness.

[SGO] Underlining the unrivalled portfolio and thus explaining the competitive advantage.

[AIG] Partnering with the U.S. government.

[AXA] Setting on differentiation, as clarified in the vision.

[LFC] Elucidating the proactive competition strategy.

[HPQ] Having partnerships with other leading technology companies, but also competes aggressively.

[PC] Having cooperations with business partners in the industry.

[SI] Having an excellent competitive position.

[SFTB] Having strategic partnerships.

[VIVEF] Emphasizing the competitive advantage.

[DIS] Being unparalleled.

[RIO] Being a leading global business in the field of metal and mineral production.

[VALE] Enhancing competitiveness.

[CAH] Maximizing the competitive advantage.

[NVS] Having alliances.

[SZUKF] Being a leader in the field of pharmaceutical distribution.

[DPD] Having an outstanding competitive position on the market.

[JPP] Developing opportunities for and with business partners.

[USP] Being market dominant.

[GOOG] Being a global technology leader.

[IM] Differentiating competitively.

[MHN] Carrying out a fair, transparent and free competition.

[SDXAY] Creating a competitive advantage through people.

[VE] Having more than 600 partnerships.

[SVNDY] Having no cooperations.

[CA] Supporting local suppliers.

[WMT] Having no cooperations but competing.

[T] Defining the leadership position.

[DT] Making clear to be one of the world's leading integrated telecommunication companies. [NTT] Having cooperative ventures with business partners. [BTI] Achieving leadership of the global tobacco industry. [ITYBF] Being a leading international tobacco company. [JAPAF] Strengthening competitiveness. [AMR] Having regional affiliates, joint business agreements and codeshare partners. [CRR] Building parties. [DB] Cooperating with other transport companies. [DLAKY] Having worldwide cooperation treaties. [EON] Being a leader. [PBR] Unknown. [SU] Striving for leadership. MARKETING AND MARKET COMMUNICATION [AVIC] Branding takes place. [BA] Marketing takes place. [EADS] Marketing takes place.

[TM] Marketing and market communication takes place to inform customers. [VW] Marketing and market communication takes place to inform customers. [BAC] Being the world's finest financial services company. [ICBC] Marketing an excellent bank. [ING] Using marketing to foster the leadership position. [BFFAF] Marketing takes place. [DOW] Takes place. [SCM] Having formed stable and extensive global marketing channels. [JNJ] Brand building is top priority. [PG] Brand building is top priority. [UL] Brand building is top priority. [BOS] Marketing takes place. [GE] Marketing takes place. [SSU] Pursuing a distinctive cultural and emotional marketing strategy with partly aggressive marketing. [CFO] Marketing takes place. [KFT] Marketing the products well and responsibly. [NSRGY] Setting on premium brands.

[GM] Marketing and market communication takes place to inform customers.

[XOM] Dealing fairly with customers and competitors. [RDSA] Marketing is top priority. [SHI] Takes place. [CAT] Marketing takes place. [HHI] Developing global marketing. [SGO] Providing local solutions tailored to the needs of each market. [AIG] Exceeding expectations. [AXA] Answering the customers' needs. [LFC] Takes place. [HPQ] Brand and reputation are top priority. [PC] Enhancing brand value. [SI] Marketing leading edge products. [SFTB] Marketing takes place. [VIVEF] Marketing takes place in accordance with the marketing strategy. [DIS] Marketing takes place. [RIO] Having a range of marketing channels. [VALE] Unknown. [CAH] Marketing takes place.

[NVS] Successfully marketing innovative products. [SZUKF] Unknown. [DPD] Paper-based as well as online marketing takes place. [JPP] The marketing department organizes marketing. [USP] Marketing takes place. [GOOG] Promoting Google's brand image and differentiate it from competitors. [IM] Marketing is top priority. [MHN] Marketing is top priority. [SDXAY] Takes place. [VE] Marketing takes place. [SVNDY] Selling products with low environmental impact. [CA] The consumers' quality of life is of special interest to the company. [WMT] Supercenters provide everything a customer wishes. [T] Effective marketing is top priority. [DT] Marketing takes place. [NTT] Marketing takes place. [BIT] Increasing the market share by focusing on global drive brands. [ITYBF] Marketing is top priority.

[JAPAF] Building and nurturing outstanding brands. [AMR] Having marketing relationships with airlines and rail companies. [CRR] Presenting the company with outstanding core businesses. [DB]Takes place. [DLAKY] Takes place. [EON] Marketing takes place. [PBR] Marketing takes place. [SU]Marketing takes place. SELLING POINTS/PARTNERS [AVIC] Unknown. [BA] Unknown. [EADS] Supporting balanced local development. [GM] Vertical cooperations exist. [TM] Partnerships with dealers exist. [VW] Vertical cooperations exist. [BAC] Providing products and services at own banks.

[ICBC] Providing products and services at own banks. [ING] Building on international network and multichannel distribution. [BFFAF] Having worldwide partnerships with customers. [DOW] Having diverse customers. [SCM] Having a strong customer base. [JNJ] Distribution agreements exist. [PG] Retail partnerships exist. [UL] Enhancing the livelihoods of the people being involved in the supply chain. [BOS] Having sales and service partners. [GE] Unknown. [SSU] Selling products and services oneself and by third parties. [CFO] Unknown. [KFT] Partnerships exist. [NSRGY] Partnerships exist. [XOM] Unknown. [RDSA] Having strategic external partners, such as customers. [SHI] Unknown. [CAT] Trading partnerships exist.

[HHI] Having e.g. partnerships with engineering firms. [SGO] Unknown. [AIG] Having distribution partners. [AXA] Franchisees and other distributors sell the products and services. [LFC] Fostering a differentiation of distribution channels. [HPQ] Having sales partnerships as availability is crucial. [PC] Having sales partnerships. [SI] Having sales partnerships. [SFTB] Having sales agencies. [VIVEF] Having some distribution partnerships. [DIS] Offering licenses and partly distributing products online. [RIO] Sales channels include direct sales, sales via distributors and via agents. [VALE] Unknown. [CAH] Unknown. [NVS] Wholesalers and distributors sell the products. [SZUKF] Having regional healthcare partnerships. [DPD] Selling products and services online and in retail outlets and sales points. [JPP] Post offices and a webpage provide products and services.

[USP] Selling online, at kiosks and at retailers. Some facilities remain. [GOOG] Having distribution partners. [IM] Creating value for vendor partners and resellers. [MHN] Unknown. [SDXAY] Having partnerships. [VE] Having partnerships. [SVNDY] Selling products and services at 7 & i stores. [CA] Selling products and services at Carrefour stores. [WMT] Selling products and services at Walmart stores. [T] Developing new distribution channels. [DT] Unknown. [NTT] Unknown. [BTI Understanding and developing joint programs with global retail partners. [ITYBF] Having partnerships with retailers. [JAPAF] Retailers and vending machines sell the products to customers. [AMR] Some agencies sell tickets. [CRR] Unknown. [DB] Selling the tickets mainly oneself.

[DLAKY] Some agencies sell tickets

[EON] Unknown.

[PBR] Unknown.

[SU] Having retail and wholesale outlets.

SHAREHOLDER/INVESTOR RELATIONSHIP

[AVIC] Having strategic cooperations with banks.

[BA] Enhancing shareholder value.

[EADS] A fair relationship with stake- and shareholders is top priority.

[GM] Satisfying shareholders.

[TM] Focusing on a stable and long-term growth for the benefit of the shareholders.

[VW] Satisfying shareholders.

[BAC] Accentuating shareholder interests.

[ICBC] Providing maximum returns to shareholders with best profitability.

[ING] Serving the stakeholders' interests and implementing a two-way stakeholder exchange.

[BFFAF] Satisfying shareholders.

[DOW] Creating value for shareholders.

[SCM] Creating value for shareholders.

[JNJ] Creating value for shareholders. [PG] Shareholders shall prosper. [UL] Unknown. [BOS] Unknown. [GE] Creating long-term shareholder value. [SSU] Respecting shareholders. [CFO] Maximizing shareholders' interests. [KFT] Being open and responsive to shareholders. [NSRGY] Creating value for shareholders. [XOM] Enhancing shareholders' long-term value. [RDSA] Creating long-term shareholder value. [SHI] Creating value for shareholders. [CAT] Satisfying shareholder wishes. [HHI] Creating value for shareholders. [SGO] Satisfying shareholder wishes. [AIG] Continuously increasing shareholder value. [AXA] Defining the importance of shareholder satisfaction in the vision. [LFC] Maximizing shareholder value.

[HPQ] Emphasizing shareholder satisfaction. [PC] Emphasizing shareholder and investor satisfaction. [SI] Emphasizing shareholder satisfaction. [SFTB] Increasing returns to shareholders. [VIVEF] Being committed to the shareholders. [DIS] Maximizing shareholder value. [RIO] Long-term creation of shareholder value. [VALE] Maximizing the shareholders' money. [CAH] Satisfying shareholders. [NVS] Having an open and transparent communication with shareholders. [SZUKF]Fulfilling the obligations to shareholders. [DPD] Satisfying shareholders in the long-term. [JPP] Earning the trust of shareholders. [USP] Unknown. [GOOG] Satisfying shareholders. [IM] Enhancing the success of investors. [MHN] Being independent. [SDXAY] Satisfying expectations.

[VE] Satisfying shareholders. [SVNDY] Making investments in the limit of cash flows. [CA] Unknown. [WMT] Unknown. [T] Shareholder satisfaction is top priority. [DT] Shareholder satisfaction is top priority. [NTT] Satisfying shareholders and investors. [BTI] Delivering shareholder return. [ITYBF] Valuing shareholders. [JAPAF] Satisfying shareholders. [AMR] Shareholder satisfaction is top priority. [CRR] Satisfying shareholders by excellence. [DB] Convincing owners by Deutsche Bahn. [DLAKY] Providing long-term prospects for shareholders. [EON] Satisfying shareholders. [PBR] Centering stakeholder's wishes. [SU] Focusing on long-term shareholder interest.

CUSTOMER RELATIONSHIP [AVIC] Serving the peoples' needs. [BA] Serving the peoples' needs. [EADS] Serving the peoples' needs. [GM] Satisfying customers. [TM] Exceeding expectations and being rewarded with a smile. [VW] Being responsible with respect to customers. [BAC] Convenience is top priority to satisfy the customers' wishes. [ICBC] Convenience is top priority to satisfy the customers' wishes. [ING] Convenience is top priority to satisfy the customers' wishes. [BFFAF] Making the customers more successful. [DOW] Satisfying customers with high quality, reliability and integrity. [SCM] Developing with clients. [JNJ] Centering the customers' needs. [PG] Centering the customers' needs. [UL] Centering the customers' needs. [BOS] Focusing on trends and customer needs.

[GE] Satisfying customers and their needs.

[SFTB] Improving society and wellbeing.

[VIVEF] Being consumer-focused.

[SSU] Contributing to a better global society. [CFO] Customers' interests are top priority. [KFT] Trust of consumers and customers is top priority. [NSRGY] Creating value for society. [XOM] Consistently satisfying customers. [RDSA] Trying to understand customer needs. [SHI] Improving customer service awareness. [CAT] Being customer focused. [HHI] Delivering superior satisfaction to customers. [SGO] Providing solutions tailored to the market and customers' needs. [AIG] Aiming at being the first-choice provider of financial services and insurance. [AXA] The company's mission is to help customers live their lives with more peace of mind. [LFC] Considering mid-and high-end customers' need. [HPQ] Emphasizing customer satisfaction and therefore e.g. customer trainings and support offered. [PC] Contributing to well-being worldwide. [SI] Being a strong local partner to customers worldwide.

[DIS] Satisfying customers.

[RIO] Handling customers as long-term partners

[VALE] Passion for people.

[CAH] Responding and aligning to customers.

[NVS] Satisfying the patients' needs worldwide.

[SZUKF] Contributing to healthier and better lives for all people.

[DPD] Enabling the customers to be flexible.

[JPP] Meeting customers' expectations and raising satisfaction.

[USP] Responding to customer needs.

[GOOG] Convincing existent and new customers.

[IM] Convincing existent and new customers.

[MHN] Convincing existent and new customers.

[SDXAY] Convincing existent and new customers.

[VE] Convincing existent and new customers.

[SVNDY] Knowing a lot about customer purchasing behavior.

[CA] Being recognized and loved by the customers.

[WMT] Supermarkets and retailers have a relatively high fluctuation of customers.

[T] Offering breakthroughs to customers.

[DT] Customer delight drives the Telekom's actions.

[NTT] The company's core values are communication between people and communities as well as with the global environment.

[BTI] Fulfilling the customers' expectations.

[ITYBF] Valuing customers.

[JAPAF] Fulfilling the customers' expectations.

[AMR] Satisfying customers.

[CRR] Satisfying customers by excellence.

[DB] Convincing customers.

[DLAKY] Providing long-term prospects for customers.

[EON] More orientating towards customers.

[PBR] Centering clients' needs.

[SU] Having long-term supply agreements with major customers.