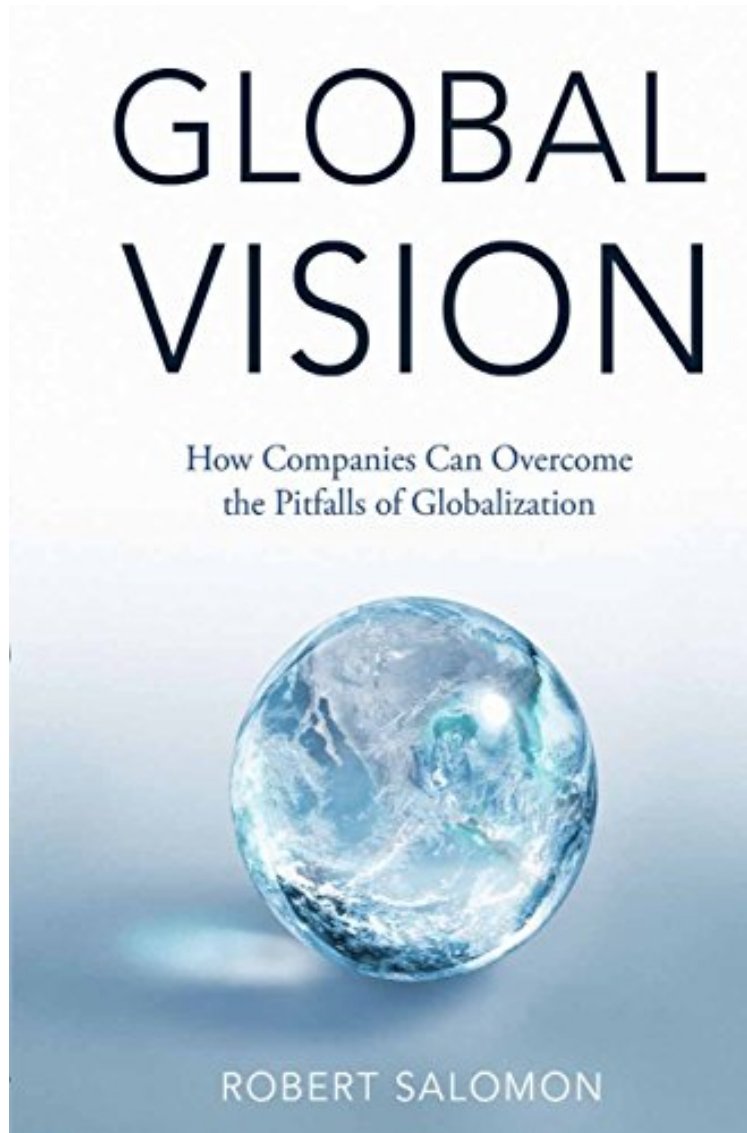


Global Vision: How Companies Can Overcome the Pitfalls of Globalization

R. Salomon

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R. Salomon : Global Vision: How Companies Can Overcome the Pitfalls of Globalization before purchasing it in order to gage whether or not it would be worth my time, and all praised Global Vision: How Companies Can Overcome the Pitfalls of Globalization:

3 of 3 people found the following review helpful. Here is ldquo;a lens through which to view globalization in a new and compelling wayrdquo;By Robert MorrisRobert Salomon provides an abundance of valuable information, insights, and counsel for leaders of companies that now struggle to meet the challenges of a global marketplace that seems to

become even more volatile, uncertain, complex, and ambiguous each day. He explores the concept of "Institutional Distance"; that is, the institutional differences between and among countries (be they cultural, political, and/or economic differences) that often determine how best to approach and then manage conditions in a company's home market. Obviously, globalization involves risks. Salomon shares his thoughts about how to avoid them or minimize them. The best business books tend to be research-driven and that is certainly true of *Global Vision*, what with Salomon's ten pages of "Notes" and another six pages of resources in the "Bibliography." I commend Salomon on his skillful use of various reader-friendly devices that include "Keeping It Real" boxed mini-commentaries throughout the narrative; "101" briefings on "What Managers Should Know" about political, economic, and cultural institutions; more than a dozen "Tables" (e.g. three data sources), and five "Figures" (e.g. "Institutional Distance Illustration"); and "Binging It All Together" sections at the conclusion of Chapters 2-10. These devices help to facilitate, indeed accelerate frequent review of key material later. These are among the several dozen passages of greatest interest and value to me, also listed to suggest the scope of Salomon's coverage:

- o Four Examples of Flawed Expansion (Pages 3-8)
- o Reimagining the Globalization Landscape (10-11)
- o Institutional Distance: A Key Factor (12-14)
- o Globalization and Profits (18-21)
- o Real-World Complexity (26-32)
- o Why National Institutions Matter (36-40)
- o The Danger of "Seeing" Successful Globalization Everywhere (40-47)
- o Political Institutions 101: What Managers Should Know (49-52)
- o Navigating Political Institutions: The Broader Managerial Challenge (53-56)
- o Analyzing a Country's Regulatory Institutions (57-60)
- o Measuring a Country's Political Institutions (63-66)
- o Anticipating Economic Shocks (73-77)
- o Defining Economic Institutions (78-85)
- o Direct and Indirect Measures of Institutions (85-91)
- o What We Mean by Cultural Institutions and Culture (102-111)
- o What Managers Are Missing (120)
- o The Nuts and Bolts of Institutional Distance (121-125)
- o Global Acumen: Complement Instead of Substitute? (147-148)
- o Dealing with Uncertainty: When Institutional Data Are Scarce (152-154)
- o A Summary of Lessons Learned (184-185)
- o Finally Bringing It All Together (192-193)

Global Acumen is one of the most important concepts that Salomon examines in this book. It generates globalization risk values between almost any pair of countries over a range that extends from 0 to 30; uses mathematical distances to account for differences in cultural and political institutions across countries; and also uses mathematical differences to account for differences in economical differences across countries. "To make this procedure more concrete and easier to envision," Salomon provides Figure 7.2 (Page 134) which presents "the overarching architecture for Global Acumen version 2.0" as well as "the three overarching institutional factors — political, economic, and cultural — described in chapters 4, 5, and 6." Salomon fully understands that tackling globalization is no easy task. "It takes a bit of creativity and effort to convert raw measures of institutions into useful measures of risk using mathematical distance and distance formulas." Knowing the institutional risk spread between two countries "is only half the battle. The real value is knowing how to [begin italics] use [end italics] risk spreads to improve decision making." As I read and then re-read Salomon's discussion of how and why to develop Global Acumen, it occurred to me that failing to do so suggests a metaphor: flying a Boeing 787 or Airbus A380 into a foreign country while being blindfolded, entirely alone, and out of contact with anyone. Obviously, no brief commentary such as mine can possibly do justice to the scope and depth of material to be found in *Global Vision*. However, I hope I have at least indicated why I think so highly of it. I agree with Robert Salomon: "Global Acumen can help managers do much more than avoid catastrophic globalization mistakes — it is a tool to help managers win at the globalization game." I presume to add one other point: All management teams must not only share but embrace the same global vision and collaborate fully on making it a reality. Just about everything they need to know about HOW to achieve that strategic objective can be found in this book. Bravo!

0 of 0 people found the following review helpful. *Quantifying Risk* by strategy+businessSheffi's book is a master class on the need for business strategists to reimagine complex networks and use human intelligence, insight, and experience to find ways to plan for risks proactively. But what if it is possible for number crunching to do this task? What if we can turn over the risk-assessing strategy to a computer? That, in effect, is the argument Robert Salomon makes in *Global Vision: How Companies Can Overcome the Pitfalls of Globalization*. Salomon, an associate professor of international management at New York University's Stern School of Business, approaches the challenge from a perspective that is similar to the one Sheffi uses. Business is getting ever more global, but risk increases when you do business outside your home turf. It's a phenomenon described in the field as the "liability of foreignness." The liability arises thanks to differences among countries in consumer tastes, business practices, and legal systems. British supermarket giant Tesco, we are told, "learned the hard way that it is important to understand the local consumer culture" when it lost nearly \$2 billion on its disastrous U.S. rollout of its small grocery stores, "Tesco's Fresh Easy." The brand occupied the middle ground between convenience stores and supermarkets, only to realize that few customers were looking for a third way. Likewise IKEA, whose 15-year struggle in Russia provides a "hard lesson" about the fact that in some countries, your power supplier might back out of a contract, be sued by you, and then win a judgment in its favor. In other words, some countries might say all the right things about foreign investment, but when push comes to shove, local interests will

take precedence, even if the law says otherwise. Instead of looking to the best practices of the Fortune 500, Salomon seeks salvation in data. The ease or difficulty of doing business in another country isn't determined only by the norms and culture of that country; it's also determined by the ease or difficulty of doing business that you're accustomed to in your home country. Salomon believes it is possible to measure and express as a number such differences as the "institutional distance." And, he continues, "studies show a positive correlation between institutional distance and the level of risk in doing business across countries." When crafting a global strategy, he argues, executives would be well advised to calculate that distance. The next step is to factor that knowledge and information into investment decisions. Salomon has developed an institutional risk pricing algorithm, Global Acumen, that helps quantify and value the risk of operating outside a company's home market. In short, when discounting the future cash flows of a project, the cost of capital (aka the discount rate) used to justify potential international expansion needs to be adjusted for the increased risks of taking that step. A proposed Starbucks in Senegal, for example, should use risk calculations different from those for a possible Starbucks in Seattle. It's difficult to argue with the logic of this data-centric approach to strategy. But we journalists don't always share the faith of social scientists that if we could just get our hands on the right data, everything that matters could be calculated with great precision. Too frequently — the 2008 financial crisis, Superstorm Sandy, the Arab Spring, the 2016 Brexit vote, terrorist attacks in Europe — events roll out in ways that defy precision, amplify risk, and confound the best-laid plans. 0 of 0 people found the following review helpful. Global Vision should be required reading for business students and ...By RAGlobal Vision should be required reading for business students and business managers alike. The author thoughtfully addresses the risks associated with global expansion strategies and provides a clearly articulated roadmap to assist in the implementation of them. He superbly draws on detailed examples yet explains them in a simple and engaging manner.

Global Vision: How Companies Can Overcome the Pitfalls of Globalization addresses the business challenges that globalization poses. It will help managers improve their global acumen by developing a better understanding of the cultural, political, and economic risks they face as they expand globally. For managers of large multinationals, managers of emerging companies with global aspirations, or anyone generally interested in globalization and global management, this book equips the reader with innovative tools to solve the most complex challenges facing global companies. It can help prepare a company not only for global growth, but also for profitable ongoing global operations.

"Book's ten brief chapters provide an excellent and expansive introduction, resource guide, and practical approach to the impact that globalization will have on an institution's organizational leadership and managerial expertise as well as a unique insight and clarity into the prerequisites, both tangible and intangible, of a successful global expansion. ...any organization interested in global marketing, this book is an important reference to managing the complexities of a successful integrated global presence. Summing Up: Recommended. Upper-division undergraduates through professionals." (S. R. Kahn, Choice, Vol. 54 (4), December, 2016)