

CONTENTS

| | |
|---|----------|
| Forword by <i>Liu Chuanzhi</i> | vii |
| Preface by <i>Zhao Chunjun</i> | ix |
| Acknowledgment | xvii |
| About the Authors | xxi |
| About the Editor | xxv |
| Introduction and Organization of the Book | xxvii |
| 1. Corporate Strategies of Chinese Multinationals | 1 |
| <i>Jin Zhanming</i> | |
| 1. Strategic Management in Chinese Enterprises | 1 |
| 1.1. Strategy and the Chinese Economy | 2 |
| 1.2. Corporate Strategy in Chinese Enterprises | 2 |
| 2. Integration Strategies in Chinese Enterprises | 4 |
| 2.1. The Logic of Integration | 4 |
| 2.2. Cases of Integration: Shanghai Baosteel and Tsingtao Beer | 5 |
| 2.3. Lessons from Integration | 10 |
| 3. Diversification Strategies | 12 |
| 3.1. The Logic of Diversification | 12 |
| 3.2. Cases of Successful Diversification: Haier and Hisense | 13 |
| 3.3. Cases of Unsuccessful Diversification: Apollo and Chundu | 16 |
| 3.4. Lessons from Diversification | 17 |
| 4. Globalization Strategies | 19 |
| 4.1. The Logic of Globalization | 19 |
| 4.2. Cases of Globalization Strategies: Wahaha and Wanxiang | 21 |
| 4.3. Lessons from Globalization Strategies | 23 |
| References | 29 |

| | |
|--|-----------|
| 2. China's Go Global Policy | 31 |
| <i>Li Zhaoxi</i> | |
| 1. China After WTO Entry | 31 |
| 1.1. National Goals and Company Objectives | 31 |
| 1.2. The Chinese Economy and International Investments | 33 |
| 2. Overseas Investment Policy and Administration | 38 |
| 2.1. Developments Stages of China's Overseas Investment Policy | 38 |
| 2.2. The Chinese System of Administrative Examination and Approval | 41 |
| 2.3. The Need for Reforms | 43 |
| 2.4. Promoting China's Outward Investment | 44 |
| References | 48 |
| 3. China's Outward Foreign Direct Investment | 49 |
| <i>Li Zhaoxi</i> | |
| 1. China's International Presence and Investment | 49 |
| 1.1. China's Foreign Trade | 49 |
| 1.2. International Contracting Projects and Labor Export Services | 52 |
| 1.3. China's Outward Foreign Direct Investment (FDI) | 56 |
| 1.4. Cross-Border M&A | 61 |
| 1.5. Overseas Listing of Chinese Enterprises | 62 |
| 2. Chinese Companies' International Challenges | 66 |
| 2.1. Large Corporations | 66 |
| 2.2. Private Companies and SMEs | 68 |
| 2.3. Challenges Ahead | 70 |
| 2.4. Chinese Emerging Multinationals | 71 |
| 2.5. Policy Issues | 73 |
| References | 75 |
| 4. The Internationalization Process of Chinese Multinationals | 77 |
| <i>Kang Rongping</i> | |
| 1. Initial Investments and Goals of Chinese Companies | 78 |
| 1.1. Three Internationalization Paths | 81 |
| 1.2. International Vision and Corporate Goals | 82 |
| 2. The Internationalization Pattern of Chinese Companies | 87 |
| 2.1. Lessons from the Experience of Foreign Multinationals | 87 |
| 2.2. Chinese Multinationals in the Age of Globalization | 88 |
| 2.3. The Experience of Overseas Chinese Corporations | 90 |
| 2.4. Building "Prior Competitive Advantage" versus "Internationalization First" | 91 |

| | | |
|-----------|---|------------|
| 2.5. | The Acceleration of Chinese Companies' Internationalization Process | 92 |
| 2.6. | Lessons from the China–Japan Comparison | 94 |
| | References | 97 |
| 5. | International Marketing Strategies of Chinese Multinationals: The Experience of Bird, Haier, and TCL | 99 |
| | <i>Hu Zuohao and Wang Gao</i> | |
| 1. | Motivations for International Marketing | 100 |
| 1.1. | Competition in the Domestic Market and the Need for Growth | 100 |
| 1.2. | Opportunities Offered by the Global Market | 101 |
| 1.3. | Economies of Scale and Relative Cost Advantages | 101 |
| 1.4. | Building World-Famous Brands | 102 |
| 2. | Foreign Market Entry Strategies | 104 |
| 2.1. | Bird's Foreign Market Entry Strategies | 104 |
| 2.2. | Haier's Foreign Market Entry Strategies | 106 |
| 2.3. | TCL's Foreign Market Entry Strategies | 108 |
| 2.4. | Characteristics of Foreign Market Entry Strategies | 110 |
| 3. | International Marketing Strategies | 111 |
| 3.1. | BIRD in India and in Europe | 111 |
| 3.2. | Haier's Strategy in Developed Countries | 114 |
| 3.3. | TCL in Vietnam, India and the Global Market | 117 |
| 3.4. | Characteristics of International Marketing Strategies | 123 |
| 4. | Conclusion | 125 |
| | References | 126 |
| 6. | Technology-Based Competition and Chinese Multinationals | 127 |
| | <i>Jean-Paul Larçon and Geneviève Barré</i> | |
| 1. | The Chinese Science and Technology System | 127 |
| 1.1. | The New China's Innovation System | 127 |
| 1.2. | China's High-Tech Clusters | 131 |
| 1.3. | China's Science-Driven Companies: Tsinghua Holdings | 133 |
| 2. | Business Strategies and Technological Capabilities | 137 |
| 2.1. | Technological Innovation Capabilities: Qingdao Hisense Electronics | 137 |
| 2.2. | China's Industrial Standards: China 3G | 141 |
| 2.3. | China's Telecom Industry: Foreign Competitors and National Champions | 142 |
| 2.4. | The China–India Information Technology Link | 145 |
| 2.5. | China's Telecom Vendors, ZTE, and Huawei's Go Global Strategy | 146 |

| | | |
|-----------|--|------------|
| 3. | Conclusion | 148 |
| | References | 149 |
| 7. | Innovation & Knowledge Transfer in Chinese Multinationals | 151 |
| | <i>Li Donghong</i> | |
| 1. | The Knowledge Transfer Imperative | 152 |
| 2. | Chinese Companies' Knowledge Transfer System | 155 |
| | 2.1. The Knowledge Transfer Process | 155 |
| | 2.2. The Focus on Developed Economies | 157 |
| | 2.3. Key Processes for Knowledge Transfer | 158 |
| 3. | Managing Risks | 160 |
| | 3.1. Major Risks Faced by Chinese Companies | 161 |
| | 3.2. Facilitators of Knowledge Transfer | 164 |
| 4. | Conclusion | 165 |
| | References | 166 |
| 8. | Corporate Culture and Organization of Chinese Multinationals | 167 |
| | <i>Wang Yihua</i> | |
| 1. | Organizational Capabilities, Property Rights, and Corporate Culture | 168 |
| | 1.1. Tsingtao Beer: International Capabilities and Strategic Alliance | 169 |
| | 1.2. Wanxiang's "Human-Centered" Corporate Culture | 172 |
| | 1.3. The "Basic Law" of Huawei Technologies | 176 |
| 2. | Globalization and Organizational Structures | 180 |
| | 2.1. Stages of Organizational Development of Chinese Emerging Multinationals | 180 |
| | 2.2. Wanxiang's Acquisition and Integration Policy | 181 |
| | 2.3. Huawei Technologies' Transnational Capabilities | 187 |
| | References | 190 |
| 9. | Chinese Multinationals and Global Value Chains Lenovo | 193 |
| | <i>François Duhamel</i> | |
| 1. | Introduction | 193 |
| 2. | Chinese Firms' Strategic Advantages and Limitations | 194 |
| 3. | The Impact of Western Firms Refocusing Efforts | 197 |
| | 3.1. Reconfiguration of Global Value Chains | 197 |
| | 3.2. Complementarities of Value Chains | 198 |
| | 3.3. The Acquisition of the IBM PC Division by Lenovo | 199 |
| 4. | Implications of Foreign Acquisitions for the Chinese Firms | 202 |

| | |
|---|------------|
| 5. Conclusion | 205 |
| References | 206 |
| 10. Alliances, Joint-Ventures and Chinese Multinationals | 207 |
| <i>Pierre Dussauge</i> | |
| 1. Joint-Ventures for Technology Acquisition | 208 |
| 2. Joint-Ventures for Foreign Market Entry | 213 |
| 3. Joint-Ventures and Natural Resources | 220 |
| 4. Internal Rivalry within Alliances | 222 |
| References | 226 |
| Conclusion: China's Unique Advantage | 229 |
| Annex 1 | 231 |
| Annex 2 | 237 |
| Abbreviations | 251 |
| Tables, Figures and Boxes | 255 |
| Bibliography | 257 |
| Index | 259 |