

# 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
<b>1. Corporate Strategies of Chinese Multinationals</b>	<b>1</b>
<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

<b>2. China's Go Global Policy</b>	<b>31</b>
<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
<b>3. China's Outward Foreign Direct Investment</b>	<b>49</b>
<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
<b>4. The Internationalization Process of Chinese Multinationals</b>	<b>77</b>
<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
<b>5.</b>	<b>International Marketing Strategies of Chinese Multinationals: The Experience of Bird, Haier, and TCL</b>	<b>99</b>
	<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
<b>6.</b>	<b>Technology-Based Competition and Chinese Multinationals</b>	<b>127</b>
	<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
<b>7.</b>	<b>Innovation &amp; Knowledge Transfer in Chinese Multinationals</b>	<b>151</b>
	<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
<b>8.</b>	<b>Corporate Culture and Organization of Chinese Multinationals</b>	<b>167</b>
	<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
<b>9.</b>	<b>Chinese Multinationals and Global Value Chains Lenovo</b>	<b>193</b>
	<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
<b>10. Alliances, Joint-Ventures and Chinese Multinationals</b>	<b>207</b>
<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