

Consortia

groups of independent companies (suppliers, customers, and possibly competitors) that join together to share skills, resources, costs, and access to one another's markets.

Domestic stage

the first stage of international development in which a company is domestically oriented while managers are aware of the global environment.

Economies of scale

achieving lower costs
through large volume
production; often made
possible by global
expansion.

Economies of scope

achieving economies
by having a presence
in many product
lines, technologies, or
geographic areas.

Factors of production

resources necessary
for production, such
as land, raw materials,
and labor.

Global companies

companies that
no longer think of
themselves as having
a single home country;
sometimes called
stateless corporations.

Global geographic structure

structure that divides the world into geographic regions, with each geographic division reporting to the CEO.

Global matrix structure

a form of horizontal linkage in an international organization in which both product and geographical structures are implemented simultaneously to achieve a balance between standardization and globalization.

Global product structure

structure in which the product divisions take responsibility for global operations in their specific product area.

Global stage

the stage of international development in which the company transcends any one country.

Global teams

cross-border work groups made up of multiskilled, multinational members whose activities span multiple countries; also called transnational teams.

Globalization strategy

the standardization
of product design,
manufacturing, and
marketing strategy
throughout the world.

International division

a division organized
to handle business in
other countries.

International stage

the second stage
of international
development, in which
the company takes
exports seriously
and begins to think
multidomestically.

Joint venture

a separate entity
created with two or
more active firms as
sponsors.

Multidomestic

manager mindset in which competitive issues in each country are viewed independently of other countries; the company deals with each country individually.

Multidomestic strategy

strategy in which
competition in each
country is handled
independently of
competition in other
countries.

Multinational stage

the stage of international development in which a company has marketing and production facilities in many countries and more than one-third of its sales outside its home country.

Power distance

the level of inequality
people are willing
to accept in an
organization.

Standardization

policies that ensure
all branches of the
company at all
locations operate in the
same way.

Transnational model

a form of horizontal organization that has multiple centers, subsidiary managers who initiate strategy and innovations for the company as a whole, and unity and coordination achieved through corporate culture and shared vision and values.

Uncertainty avoidance

within a cultural group, the degree to which members are uncomfortable with uncertainty and ambiguity and thus support beliefs that promise certainty.