International Competitiveness and Innovation

Review Questions
Session 08 – Lecture 13
MNCs and Global R&D
1. Explain WHY MNCs engage in overseas R&D (Four Goals):

(i) Product or process adaptations or improvements
   • continual testing and customer interaction

(ii) Basic materials or product research
   • continual testing and customer interaction

(iii) Rationalized research
   • gain economies of scale/scope – certain R&D in certain regions

(iv) To acquire or gain an insight into foreign innovating activities
   • monitoring, or acquiring knowledge from superior methods
2. Describe the Characteristics of the “Born-Global” Firm:

1. Application of knowledge-based resources for superior performance

2. Ability to replicate firm’s capabilities across numerous markets

3. Emphasis on developing new technologies

4. Offering unique products in niche markets overseas

5. Quality focus to meet or exceed customer expectations

6. Rely on capabilities of facilitators in foreign distributor competences

7. Flexibility with internal organisational structures
International Competitiveness and Innovation

Review Questions
Session 08 – Lecture 14
International Transfer of Knowledge
1. Describe the Thirteen Barriers to Intra-Firm Technology Transfer

1. No interest / lack of motivation (dislikes collaboration, prefers individualism)

2. No perceived individual incentives

3. ‘Not-invented-here’ syndrome (reluctance to accept ideas from ‘outside’)

4. Threatened by new technology

5. Loss of jobs, control or autonomy (fear of losing ownership, control, job)

6. Lack of people transfer (major barrier; lots of tacit knowledge resides with people; requires face-to-face transfer)

7. Lack of trust (can be serious barrier leading to arduous relationship that becomes laborious and distant)
1. Describe the Thirteen Barriers to Intra-Firm Technology Transfer

8. **No training** (often training manuals are not enough; links back to people transfer issue)

9. **No perceived market benefits** (especially for technology Receiver who cannot relate TT to an end market requirement)

10. **Formalised structures and relationship** (little flexibility and some working routines/ prior practices are outdated)

11. **Lack of absorptive capacity** (Recipient struggles to understand complexity of technology & lacks ability to absorb)

12. **Lack of retentive capacity** (Recipient is unable to assimilate and apply any new knowledge; maybe needs Gatekeeper to decodify knowledge?)

13. **Language barriers** (not just different countries; also jargon)
2. Describe the 7 Way of Overcoming the Barriers to Intra-Firm Tech Transfer

1. Skills and knowledge accompanying technology transfer are not a commodity shippable as a toolbox – **develop transferred knowledge**.

2. Transfer of some skills must be understood in context of the culture from which the technology was developed – **understand the context**.

3. **Building of ‘trust’** is an integral component of most successful technology transfer arrangements. Action conveying long-term intent and creating reciprocal obligations (confidence in each other’s ability).

4. **Cross-functional people transfer**.

5. Use of **prototype models**.

6. Better **end market feedback**

7. Better **project management documentation procedures** highlighting the strategic importance of a transfer process.
3. Describe the Six Senior Mgt Implications of Intra-Firm Technology Transfer

1. Introduce mechanisms that *encourage knowledge sharing* across MNC boundaries.

2. Higher *corporate funding* for technology transfer projects and levy on businesses.

3. Promote collaborative culture by *recognising achievements* and *rewarding improvements* if possible.

4. Raise the profile of technology transfer to an integral *higher priority component* in the firm’s technology strategy.

5. Ensure that technology transfer decisions are aligned to *strategic intent* and are rational decisions, rather than independent business-unit level *emotional decisions*.

6. *Engage all key actors* in the management of technology transfer programmes to help create a ‘*learning environment*’.
study up!

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