

Space Oddity – On Managerial Decision Making and Space

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Structure

- Presentation of the study area
- Literature review
- Conceptual model
- Preliminary empirical data;
 - knowledge intensive industries
- Comparative data;
 - Sweden and Japan
- Conclusions and further research

Research foundation

- Internationalization of firms; location and decision
 - National, regional and firm level
 - Ongoing process
 - Globalization
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- When trying to understand space related decision-making, an important question to be asked is what is of importance for the managers making the decisions?
 - Reason and judge when making international venture decisions.

Theory

- **Economic Geography**
 - The issue of location, national, regional and local levels

- **International Business**
 - Internationalization process and strategy, rapid internationalization

Internationalization theory

- The economic approach
 - Internalization theory
 - Transaction cost theory
 - The eclectic paradigm OLI

Internationalization theory

- **The behavioural approach**
 - Increasing involvement in international activity
 - The Uppsala school – accumulated knowledge
- **The network approach**
 - Long term relations
 - Business network influences entry

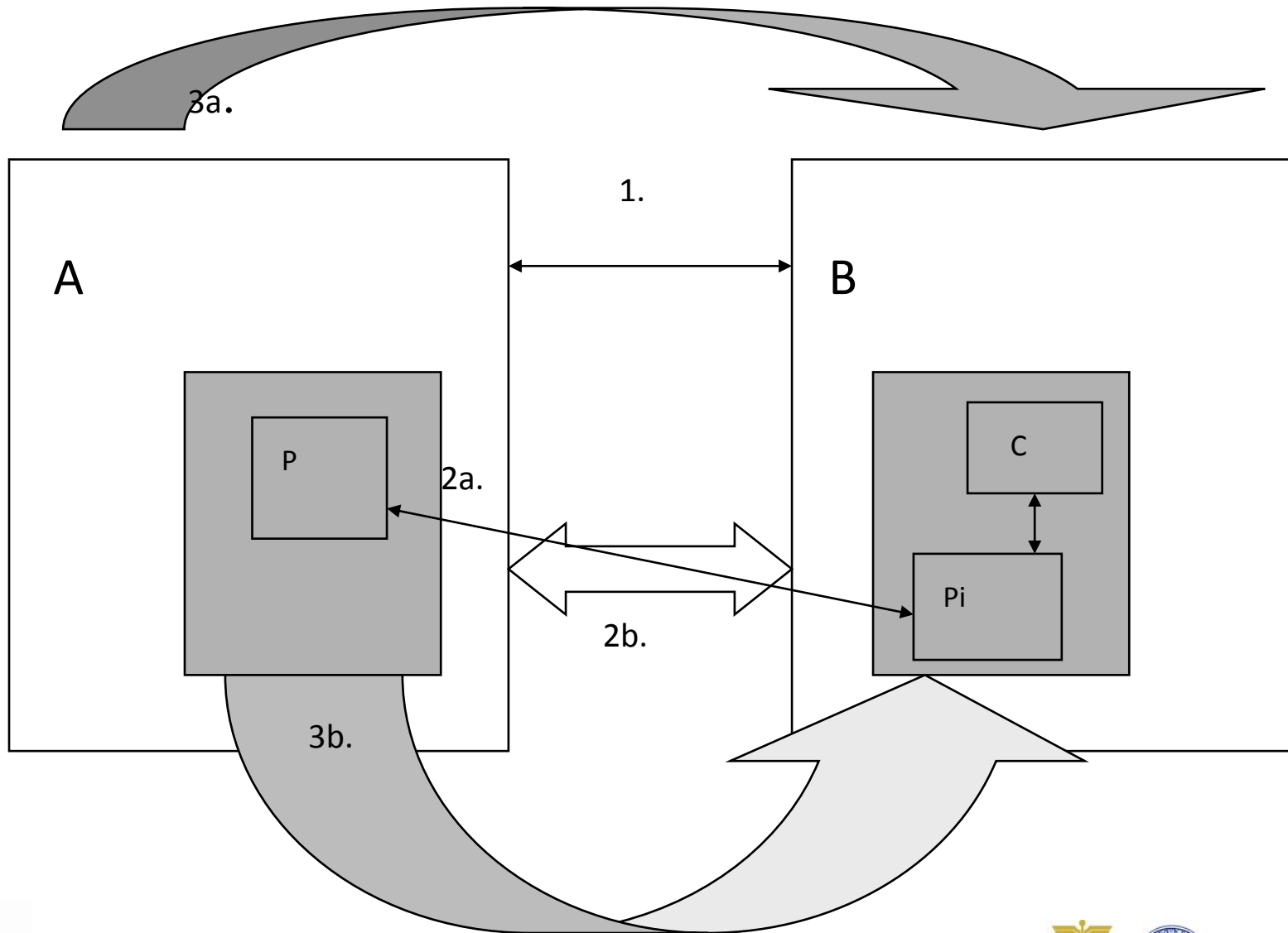
Internationalization theory

- New theories for internationalization
 - Born global or international new ventures
 - International Entrepreneurship
 - Position the company in the network
 - Liability of outsidership rather than foreignness

Economic geography theory

- Connection to internationalization theory
- Focus on locational advantages, clusters, embeddedness enabling growth
- Spatial organization; GPS
- National and regional competitiveness; innovation systems, learning regions, creative regions
- Increasing interest in company strategy location
- Sectoral differences; services, knowledge intensive content
- Institutional or social economy; relational dimensions

Conceptual framework



Perspectives on internationalization

- Neo-classical perspective
- Spatially anchored perspective
- Managerial based perspective

Empirical data: Sweden

- Q-Sense (bio-tech)
- Tighten contacts with leading universities
- Show commitment
- *“First of all, it is the size of the market, but then again; it has also been hype. We visited other companies; ... [that] managed to build their own organization in the US. We were inspired of their and other’s success. Also, despite of various differences in different states, the US market is relatively homogeneous. Large parts of a huge market could be served with one office. Also we spoke the language.”*

Empirical data: Sweden

- Decisions related to space
- Where, what mode of entry, when to embark
- Hype, mimicked other firms
- Market characteristics
- Competence and contacts
- Personal connections
- Physically present

Empirical data: Japan

- Internationalized to a lesser extent than similar firms in other OECD economies
- Market characteristics; knowledge absorption
- International contacts; bases for development
- Asian presence through RPN

Empirical data: Japan

- National innovation systems
- Regional initiatives
- Varied success and difficult to measure
- Kyoto example: Peptide (Ibata-Arens, 2008)
- Functioning social networks and institutions
- Personal contacts globally
- Openness

Discussion

- Combining firm level with macro analysis of national and regional levels;
- Calls for a holistic approach
- Sectors characterized by high knowledge content, R&D driven internationalization, entrepreneurship, urban concentration
- Institutional settings and relations with clients, partners and employees. Relation between locational advantage and decision
- Impact of regional or national innovation systems?

Focus on:

- **Embeddedness**
- **People dependent internationalization**

Conclusion

- Combination of perspectives help to explain international ventures
- Case study approach to obtain the empirical setting
- Comparative approach
 - Sweden and Japan
 - Move away from only western based theory
 - Knowledge intensive services and production

THANK YOU!



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