and consortiums, joint product/service marketing and shared facilities, tie-in promotions, and franchising.

The incentives impelling and directing the shape of symbiotic relationships are summarized in terms of both environmental and organizational factors. The former include advances in and convergences of technologies and new regulatory/deregulatory pressures. The latter are described more conventionally in terms of organizational strengths and weaknesses, resources and risks, and asset redeployments.

This paper concludes with a summary of guidelines for identifying growth opportunities, using symbiosis as an entry vehicle, and identifying and evaluating potential partnership candidates.

Changing Patterns of International Competition, Michael Porter, *California Management Review* (Winter 1986) pp. 9–40. (AV)

In this article, Michael Porter, a well-known authority on competitive strategy, expands his analysis to the international scene. He argues that while much has been written on international trade, international marketing, and international business, very few studies have examined the topic of international strategy. He thus poses the question as follows: "The fact that a firm is multinational says little if anything about its international strategy except that it operates in several counties. Broadly stated, the question is: What does international competition mean for competitive strategy?"

Porter draws a continuum of industry profiles in which his two extremes are multidomestic industries and global industries. In *multidomestic* industries, the competition in each country is independent of competition in other countries. In *global* industries (where global strategy, an overused but little understood term, operates) the firm's competitive position in one country is significantly influenced by its position in other countries. Thus, in a global setting firms truly compete with each other on a worldwide basis. Industries that are global include semiconductors, television sets, copiers, and automobiles.

Porter's focus in the article is primarily on the global strategy and covers three topics: (a) the nature and causes of globalization, (b) strategic implications of globalization, and (c) the future of globalization.

Using the principle of *value chain,* Porter argues that firms can be visualized in terms of a collection of discrete activities (labeled as value activities) in the performance of which they strive towards competitive advantage. Competitive advantage can be gained through low relative cost, or differentiation of each value activity, or a combination of both. Examples of value activities include management of process technologies, transfer of production know-how, maintenance and delivery of services, brand name decisions, management of suppliers and supplies, and transfer of marketing knowledge.

The international strategy of the firm then is to make decisions about the configuration and coordination of the value activities. Configuration decisions involve how to disperse the activities geographically; coordination decisions include the management of diversity of the activities in a global setting.

In the next section, Porter discusses the pros and cons of coordination and configuration at various levels and provides several examples of companies that practice different global strategies along these two dimensions. His industry examples include aircraft, automobiles, and office equipment.

Porter ends the section by putting global strategy in perspective; that is, he compares it with the well-known principle of comparative advantage. He argues that the traditional view of comparative advantage is single country-based and specific to a single activity as opposed to the value chain as a whole. In a sense, Porter's global strategy raises comparative advantage to a much higher level.

Porter concludes the article by discussing the problems in implementing global strategies, the need for global infrastructure, the formation of possible coalitions, and the development of appropriate organizational structures.

How Automation Could Save the Day, Richard Brandt and Otis Port, *Business Week* (March 3, 1986) pp. 72–74. (DTV)

This is a small, albeit important, part of a special report on "The Hollow Corporation." Computerized factories may provide part of the answer to the hollowing of domestic corporations.