MODULE V
CORPORATE-LEVEL STRATEGIES

I. Single or Dominant Business
   A. Concentration

When firms choose to remain in one distinct business area, they are following a concentration strategy. In these instances a firm's corporate strategy and business strategy are the same.

Concentration brings many benefits, but as firms exhaust these benefits they turn to other corporate strategies.

   B. Horizontal Integration (Also considered geographic expansion)

   C. Moving across National Boundaries (More about this later)

II. Diversified Businesses
   A. Vertical Integration

When firms take control of and produce their own inputs and/or outputs rather than depending on other firms to supply inputs or dispose of outputs, they are following a vertical integration strategy.

   B. Direction

1. Degree
2. Reasons to Vertically Integrate

3. Problems with Vertical Integration

C. Diversification

When firms choose to move into businesses separate from their core business either through internal venturing or through acquisition, they are following a diversification strategy.

Diversification can not succeed unless it truly adds value to the business units or the corporate organization.

D. Tests for the Value of Diversification

1. Some Ways to Add Value

   a. Portfolio Management

   b. Restructuring
c. Transferring Skills

d. Sharing Activities

III. Entry Strategies

A. Acquisitions versus Internal New Ventures

B. Pitfalls of Acquisitions

C. Guidelines for Acquisition Success

D. Pitfalls of Internal New Venturing

E. Guidelines for Internal New Venturing

IV. Exit Strategies
A. Divestiture Candidates

B. Alternatives

V. Global Strategies

A. International

B. Multidomestic

C. Global

D. Transnational

VI. Entry Modes for Global Markets

A. Exporting
B. Licensing

C. Franchising

D. Joint Ventures

E. Wholly-Owned Subsidiaries

VII. Global Strategic Alliances