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## **Firm response strategies under globalization impact in high-tech and knowledge- intensive fields**

**G**lobalization, particularly the stronger presence of cost competitive East Asian rivals, are putting heavy competitive pressure on high-tech and knowledge-intensive firms originating in small and open economies, such as Finland. In this paper we explore several specific theoretical approaches, namely firm competitive advantage, the resource-based view, and the eclectic model, to develop a theoretical framework by which it is possible to evaluate the impact of globalization on firms originating in small and open economies. The developed framework presents a process of the connection between resources, capabilities, competitive

advantage, and selected response strategies to the globalization impact. We then progress to investigate operation mode and marketing strategies as a possible means to respond to globalization pressure utilizing four Finnish case companies from the high-tech- and knowledge-intensive fields.

The research highlights the need to develop dynamic capabilities, particularly in configuration and coordination of the global value chain, and recommends usage of response strategies that result in multiple advantages, such as cost and differentiation. The industry lifecycle stage influenced the response strategy appropriate for a given situation. During the era of internationalization and growth, selection of appropriate operations modes, utilization of innovative products and design, and the use of channels that enable presence in international markets were important. In the maturing phase of escalating global competition, the sustainability of the competitiveness can be increased by efficient configuration of value chain on a global basis and the use of multiple operation modes, expansion of the product range and its standardization, holistic design which enhance both production efficiency and marketing differentiation, and hybrid channel arrangements.

The study concludes by emphasizing that managers should follow the steps identified in the framework to carefully evaluate the presented response strategies and select the most suitable for them. Naturally governments must also review their current policies as far as educational system, taxation, legislation and other support for enhancing the factor conditions of their country. ■