*Strategic Management*, 9e: Chapter 19 study guide

Five key resources for building a global strategy

1. *Adequate funds*: global strategy requires substantial funds – perhaps US$ 1 billion. Even relatively new companies like Facebook have needed substantial finance for marketing, business set-up costs and just running a business.

2. *Quality*: all the leading world brands offer quality and set up procedures to ensure that this is maintained over time.

3. *Lengthy time horizon*: global strategies have been built over several years. Even relatively new companies have taken time to become established. Most global companies were originally begun in one country and then extended over time.

4. *Senior management commitment and effort*: the Chief Executive Officer and his team need to believe that the benefits of a global strategy are greater than the costs. The team then needs to work to achieve this or the strategy will fail.

5. *Innovation*: this may mean investment in R&D. It may involve re-thinking some other aspect of the value chain or some other aspect of business. But some form of innovation will be invaluable in building a global strategy.