

# Introduction

Operations management is a branch of study that is evolving day after day. Market globalization, technological development, the overcoming of international trade barriers and the boom in some dormant economies are modifying the economic structure of many countries and pushing companies to change their strategies and way of doing business. The rapid rate of change of corporate modus operandi involves the rethinking of operations management strategies: innovative approaches to international new product development, sourcing, manufacturing and logistics are required to maintain and increase competitive advantage.

These changes contribute to the operations management discipline new research topics that take into account the new order and the new economies that are shifting the world's economic equilibrium. The dynamics are even more articulated if the actors involved belong to different economics scenarios.

Paradoxically, internationalization processes are not limiting country-specific aspects but rather highlighting them. There are many country-specific cultural, legislative and infrastructural aspects that can influence future choices.

## The Objectives of this Book

The book was born from an awareness of these ongoing mutations and with the objective of offering some food for thought on this evolving scenario.

The text has also the ambitious objective of giving the reader a wide view on some of the typical operations management topics, such as strategy, new product development, sourcing, manufacturing, logistics and networked organization. These topics will be also seen from different perspectives that sometimes seem irreconcilable: those of the West and the East.

*International Operations Management – Lessons in Global Business* is the first book to offer a comparison between strategies, methods and experiences of major European and Asian companies, highlighting not only traditional offshoring processes from the West to the Far East, but also the inverse process, which is increasingly frequent. This approach is rarely considered in the literature of international operations management.

The book collects the results of a scientific collaboration project (IOM – International Operations Management) that involved six European and Asian Universities: the University of Udine in Italy, Universidad Politécnic de Valencia, Spain, South China University of Technology, School of Business Administration in China, Xi'an Jiaotong University, School of Management, China, Southwest Jiaotong University, School of Economics and Management, China and The Chinese University of Hong Kong. It was cofounded by the European Union under the Asia-Link Programme. This project's objective was to develop new didactical material based on the direct experience of companies engaged in

internationalization of the operations process. Fourteen case studies were chosen from twenty for the relevance of the topic discussed and the innovative solutions identified.

## The Structure of the Book

In creating the collection of cases, we decided to cover five areas: international operations strategy, international networked organization strategy, international new product development, international sourcing and manufacturing and international logistics. These became the five sections of the book.

Each section contains differently focused cases. Table I.1 summarizes the structure of the book: its sections, the title and subtitle of the cases, their authors and their university.

**Table I.1 The structure of the book**

Section	Case	Title	Subtitle	Authors	University
International Operations Strategy	Pacorini	Deliberate and emergent strategy	The business model as an interpretative tool for strategic evolution	De Toni Alberto F., Biotto Massimo, Ioan Lorenzo	Udine
	Electrolux	Competing on time	Alignment of operations strategy with market requirements in an international context: applying lean production to increase delivery timeliness	De Toni Alberto F., Battistella Cinzia, Ioan Lorenzo	Udine
International Networked Organization Strategy	Ford	The network evolution from extended enterprise to virtual enterprise	The path followed by a leading company belonging to the automotive sector in the transformation from extended to virtual enterprise	Ángel Ortiz-Bas, Rubén Darío Franco, Francisco Lario-Esteban, Pedro Gómez-Gasquet	Valencia
	Dongfang Electric Corporation (DEC)	Virtual enterprise in contract and service project	An example of creation of an international virtual business network in a contract and service project	Jun Li, Naiyi Ye and Peng Guo	Chengdu
	Keraben	Service and product development	Combining customer needs and network capability in new product/service development	Faustino Alarcón, Rubén Darío Franco, MME Alemany, Francisco Lario-Esteban	Valencia
International New Product Development	Huawei	Country specific factors affecting new product development	Country specific factors (governmental regulations, local standards, customers needs and habits etc.) to be taken into account in the new product development. An example from the telecommunication sector	Yuan Li, Chenlu Zhang, Xiyao Li, Heng Liu	Xian
	Lima	Factors affecting research and the development of new products	How human characteristics, practitioners' habits and health care system regulations affect the research and development of medical devices	Nassimbeni Guido, Sartor Marco, Soligo Damiano	Udine
	Monalisa	Energy-saving needs in new product development	Chinese necessity to reduce energy consumption forces to get energy savings and to develop environmental friendly products	Lei Yang, Xuejun Xu, Jing Zha, Weiquan Zhang	Guangzhou

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International Sourcing and Manufacturing	Flextronics	International sourcing: organizational dilemmas	The choice between centralized and decentralized management, national and international sourcing basins	Yina Li, Xuejun Xu, Fei Ye and Qian Wang	Guangzhou
	Gree	China goes abroad too	An example of a Chinese company developing a production facility in Brazil in order to reach an important market	Fei Ye, Xuejun Xu, Xiande Zhao and Zhiqiang Wei	Guangzhou
	Danieli	Examples of countertrade agreements in China	Countertrade constrains on supply management: operations management effects and alternative approaches	Nassimbeni Guido, Sartor Marco, Mucignat Anna	Udine
International Logistics	Illy	Sustaining quality from the green coffee to the cup: logistics as a competitive weapon	Linking business strategy with international supply chain management and pursuing product quality using specific managerial practices throughout the whole supply chain	De Toni Alberto F., Biotto Massimo, Nonino Fabio	Udine
	DCHS	Third party logistics – Advanced Services to gain a Competitive Advantage	In order to survive in the competitive market, a third-party logistics provider develops a customized value-added services in bonded warehousing	Hejun Zhuang, Xiande Zhao, Jeff Hoi Yan Yeung, Bin Zeng, Juan Hao	Guangzhou
	Mazo Transfrigo	Effects of changing regulations and costs on networks and transportation modes	Two European trends – reducing pollution and fuel costs – lead to the development of intermodal transport and aredesign of networks to reduce costs	Perdro Gómez-Gasquet, Rubén Darío Franco, Eduardo Vicens, Rosa Navarro-Varela	Valencia

## Case Study Structure

In order to make each chapter accessible, all of the cases have been articulated using the following structure:

- The first paragraph offers useful theoretical elements on the topic of the case; this section can help either students or non-academic practitioners to link conceptual and practical approaches or to set the case in a wider context;
- In the second paragraph – after a brief company description – the main experiences of the company are reported highlighting the problems faced, the approaches adopted, the steps followed and the criticalities verified;
- The Lesson learned box summarizes what we hope the reader will take from each case study. The lesson learned can be seen as an experiential road map, a kaleidoscope from which it is possible to comprehend the history of people and organizations;
- A further box gives some questions for the students and food for thought with ideas for open discussion.

Each case study has its own bibliographical notes: the main references used to develop the theoretical section and to help with further study.

## The Value of the Case Studies

Companies are for management what laboratories are for science: these are the places of experimentation and in-depth studies. Case studies are not of secondary importance in management but the source of the theory.

Companies are like an exercise room where knowledge is gained more from practice than theory, more from action than thought, more learned than taught, more based on inductive approaches than deductive ones, more on 'to know what to do' than 'to know', where practical activities are as important as the intellectual ones, where the diffusion of knowledge is more horizontal than vertical and where the problems are not artificial but real.