

# THE FUTURE OF GLOBAL STRATEGY

In the 20th century, the top global businesses found success by being big. Is this still the case?

Global strategy refers to actions that managers take to best serve the interests of their firm when doing international business. In the 20th century, the key to a successful global business was being big, but today changes in technology and international politics may be influencing global strategy. Ram Mudambi identifies three reasons that innovation is more important than size in the 21st century global economy.

First, new technology allows even very small firms to outsource parts of their business to other countries. Rather than controlling all assets within a company, it may be more effective to have a smaller business that contracts out some steps of the business.

Second, new technology makes it easier to leverage good ideas. Uber, for example, has been successful largely because it was an innovative idea that could be scaled up quickly using improved information technology.

Last, companies may need to be cautious of scaling up in some countries depending on global politics. Political allies used to be more easily identified, but now companies must pay close attention to political tensions that can impact economic relationships.

---

## MAJOR TAKEAWAYS:

- New technology and international politics are changing the global economy.
- Innovation, as opposed to firm size, is increasingly important because technology allows firms to outsource parts of their business and leverage good ideas.
- Political tensions have made international business riskier.

---

## WHO NEEDS TO KNOW:

- Business researchers
- Business executives

---

## CONTACT US:

- Ram Mudambi, Frank M. Speakman  
Professor of Strategy,  
***ram.mudambi@temple.edu***
- The Future of Global Strategy.  
<https://doi.org/10.1002/gsj.1464>