

***Development of global business networks as a competitive strategy of transnational corporations.  
The case of the automobile sector***

The book is a study in the field of international economics within the microeconomic approach. The presented discussion should be positioned within the realm of social sciences, economic sciences, the discipline of economics and it includes quite a number of references to management sciences. The work presents the development of transnational corporations in the context of increasing globalization, with particular emphasis on improving their competitiveness in the long term. It shows the changes of organizational structures of the biggest TNCs, as a reflection of the strategy of competition. It is assumed that the basis of the effectiveness of the strategy in today's economy is a synergy based on the connection of all categories of capital-building. The key to maintaining a strong competitive position in the long run is the ability to create added value through the development of system connections. The path of the implementation of this strategy is the ongoing process of business integration (as companies merge similar to that as in the integration of countries), to build a global network of Business (GSB).

The aim of this work is to examine the impact of changes in the global economy on the competitive strategies of transnational corporations (TNCs) and attempt to identify the essence of transformation taking place in connection with corporate organization systems. The study is divided into a theoretical part, with reference to, among others, the theory of competitiveness, international integration, foreign direct investment, mergers and acquisitions, the concept of international management and an exemplar-statistical oriented part in which on 230 TNC's (listed in the rankings of the World Investment Report from the years 1991 to 2009). A detailed analysis is provided for 10 automobile based companies: Toyota, Ford, Volkswagen, Daimler, BMW, Honda, Nissan, General Motors, Fiat, Renault, 3 electricity based – General Electric, Siemens, IBM and 3 petrochemical – Royal Dutch Shell, British Petroleum, ExxonMobil.

The main hypothesis of the work is: the changes in the global economy have helped to shape a new paradigm of international competitiveness. This resulted in a remodeling of TNC strategy and, consequently, rebuilding their organizational structures in the GSB. The most powerful transnational corporations, in regulatory terms, play the role of orchestrators. Orchestrators combine the roles of a leader-promoter, coordinator-manager and conductor-manager. An analytical diagram of considerations is based on the sequence of: environment – strategy – structure – competitiveness. It was recognized that the environment the organization has a significant impact on its operations, because changes in it are reflected in strategic concepts. This is reflected, in turn, in the evolution of the organizational structures of corporations, which thus adapts their systems to the new concept of development. New types of structures that aim at improving competitiveness, must be supported by values (strategic pillars), consistent with the new paradigm of international competitiveness. The measure of the competitiveness of the TNCs as orchestrators of global business networks is the ability for the creation of value-added networks based on economic capital and intellectual. Using multidimensional statistical analysis, the relationship between the development of research networks of the 10 automobile TNCs and their ability to create added value, became the subject of analysis.

The book consists of an introduction, six chapters and a conclusion.

The purpose of Chapter I is an attempt to show that increasing globalization is essential to change of TNCs. It creates a favorable climate for the development of open bodies

stepping onto the global scale. Corporations realize their expansion strategies by engaging in various forms of integration: building global production chains, making direct investments (FDI) as well as further mergers and acquisitions (M&As). It emphasizes that the characteristic feature of the present stage of corporate globalization is competition between enterprise systems (coalitions) rather than individual entities.

The purpose of Chapter II is an attempt to show that the factor of competitiveness in the long-term development strategy is in place, and its visible image is a way of shaping organizational structures. Implementation of advanced competitive strategies allows corporate organizational models to become increasingly complex. The consequence for the study of competitiveness of the interdisciplinary nature of modern business theory justifies the construction of a new paradigm of international competitiveness.

The purpose of Chapter III is an attempt to demonstrate that globalization is changing the nature of competition + it has redefined the importance of each category of capital organization, which resulted in the conversion of transnational corporations into network organizations. Networks are the regulatory structure, positioned between the market and the hierarchy. The highest form of organization, responding to the challenges of knowledge economy are GSBs, which are networking systems. The essence of the system is its three layer structure. The strongest "merge" is triggered by M&As, creating ownership relations. The next layer consists of strategic ties, or any long-term agreement, not necessarily based on the property (such as strategic alliances, joint ventures). The outermost layer consists of a co-operative relationship. Cooperation in this layer may affect even direct competitors, and is an expression of organizational maturity, involving the implementation of corporate social responsibility organization. In all layers, there is space for the co-operation and competition based behavior, and therefore the system is a cooperative.

In Chapter IV, an attempt to analyze the process of building GSB by the most powerful transnational corporations (ranked by UNCTAD) is attempted. In order to analyze potential changes in each sector, entities are divided into nine areas of industry, and then their assets, sales, employment and the rate of TNI is analyzed. Based on those statistical summaries, three sectors: automobile, petrochemical, and electronics were selected for further analysis. The work presents the evolution of these systems in global relations – analyzing expansion models of 3 leading corporations. An analysis of the mechanism of building business networks, using the steps in the business integration model, is made.

Chapter V presents an analysis of the top 10 models of expansion of automobile TNCs, as the basis for an assessment of their ability to be GSB orchestrators. The focus is on changes in their organizational structures and management system. Attempts were made to demonstrate that the analysis of the pillars of the Orchestrator business model in the strategy allows to assess the competitive potential of the entity and its level of sophistication and development.

Chapter VI sought to demonstrate that the consequences of adopting the paradigm shift of international competitiveness enforces building competitive capacity on the basis of globally based combined resources of economic and intellectual capital, it is necessary to "measure" the competitiveness of the corporate-orchestrators using multidimensional assessment methods. A synthetic indicator (MS) of the capability to create added value had been built, including capital production and sales, and financial and structural and institutional capital; by using methods of linear ordering, the author determined a competitiveness ranking within the leading transnational corporations sector. In order to check the convergence of multi-dimensional analysis and classification made on the basis of a single parameter, MS based evaluation was compared with the ranking of individual corporations in international

classifications, among others in: World Investment Report, The 100 Top Brands, The Forbes Global 2000, The Most Admired Companies.

In conclusion, it can be stated that changes in the global economy cause a partial devaluation of the classic paradigm of competitiveness, and certainly shows that it needs to be complemented. On theoretical grounds, this leads to the acceptance of previously rejected ideas and often means taking into account an interdisciplinary theory of business considerations. The result is a reconstruction of the set of rules and factors considered important in building a strong competitive position, particularly in the international market. Consequently, it is necessary to construct new measurement tools that can be used for a comprehensive assessment of the basis of international competitiveness.

Key words: business network, global business network, transnational corporation, TNC, Toyota, Ford, Volkswagen, Daimler, BMW, Honda, Nissan, General Motors, Fiat, Renault, General Electric, Siemens, IBM, Royal Dutch Shell, British Petroleum, ExxonMobil, environment, strategy, structure, competitiveness, theory of competitiveness, international integration, foreign direct investment, mergers and acquisitions, international management, The Most Admired Companies, World Investment Report, The 100 Top Brands, The Forbes Global 2000, strategic alliances, joint ventures, co-operative relationship, TNI, international competitiveness, competitive strategy, automobile sector, petrochemical sector, electronics sector, organizational models, international market, development, M&As, FDI, creation of value-added, competitive potential, orchestrator, globalization, multidimensional statistical analysis, brand, integration, knowledge economy, expansion strategies, measure the competitiveness, organizational structure, management system, intellectual capital, market and hierarchy, long-term development strategy, leader, promoter, coordinator, conductor, manager, international classifications, synthetic indicator, financial capital, structural capital, institutional capital, microeconomic approach, corporate organization systems.