BOOK REVIEW

Winning the Global Game: A Strategy for Linking People and Profits

Jeffrey A. Rosensweig (Free Press, New York; 1998; ISBN 0-684-84919-4) $30

REVIEWED BY WALTER E. VIEIRA CMC, FIMC

C2M missed this significant contribution among the hundreds of management books that are published every year. Even though it was published three years ago, *Winning the Global Game* should be read by all consultants and business executives who are or intend to work in the field of global business. It is also a must-read for executives in transnational corporations who have grown up in an environment promoting the mind-set that the most profitable markets can only be found in the USA, Europe, and Japan. Author Jeffrey Rosensweig is an economist and international business expert, yet the book is devoid of jargon.

Winning the Global Game's main theme is that in the 21st-century global economy, emerging nations will provide almost half of the potential customers for Western goods and services. This will not only contribute to the coffers of the companies in the developed world but will also help to raise the standard of living of the world's poor. Rosensweig refuses to accept the thesis that third-world countries are doomed to another century of being mired in poverty and unable to lift themselves from this morass.

He tells us what most of us do not know or have forgotten: American exports to emerging nations increased three times between 1986 and 1996. He projects that by 2010, the world will contain six great regional economies—three of them in Asia. And that three out of every eight middle-class consumers will reside in the developing world.

No single country or region—or even the traditional triad of USA, Europe, and Japan—will be enough for successful companies. They must look beyond this triad to include the second level of nations, which are the 14 Big Emerging Markets (BEMs), including India, China, and Mexico. And sometimes companies will need to include the third level, comprising the "unlucky 13" such as Ukraine, Russia, and Egypt—nations that face dismal economic prospects.

Rosensweig identifies two key factors that have helped the rapid increase in global trade volumes: the advance of communications and IT, and institutional progress in removing barriers to international trade. He works out a framework for global economic progress using the measure of purchasing power parity (PPP—the buying power based on the McDonald's hamburger) and shows how real GDP growth is highest in China, South Korea, Thailand, and Singapore and much lower in the U.K., the U.S., and Canada. He describes how the middle-class market, which is 21% in developing countries in 1990, will increase to 37% in 2010 and how global manufacturing in industrialized countries will decrease from 80.3% in 1995 to 71.05% in 2005. He builds both pessimistic and optimistic models and shows how the six great economies of the 21st century—USA, China, Japan, Germany, India, Indonesia—will move.

He suggests some strategies for companies who want to grow. However, he suggests taking discrete steps toward global expansion, repeating the steps every few years: a process of expansion followed by consolidation, then expansion again. Rosensweig advocates focusing on the triad (U.S., Europe, Japan) as a first step and then on Latin America for most U.S. firms. The formula is straightforward: After looking South, look West, then to the East, then to South Asia. He also suggests looking closely at the human and natural resources of Africa and South and Central Asia.

Rosensweig identifies China, India, and Indonesia as the largest emerging economies of Asia. Since the book was written, the situation has of course changed considerably with regard to Indonesia, with its financial crisis and economic turmoil. Also, India is moving much slower than was anticipated by Rosensweig—perhaps it is two steps forward and one step back. Which makes it essential for the reader to use the book as a guide but modify decisions based on the present situation. Arthur Felton once said that the world is moving so fast that every marketing plan is out of date by the time it is printed. In the 21st century this is even more true. The successful business executive needs to have that rare commodity—market foresight—the ability to anticipate the future and forecast events.

Winning the Global Game has a section on 21st-century career strategy that provides useful insights for prospective global managers and can be used as a guide by executive selection consultants. The competencies required to handle the complexities of global business include broad training (to think strategically and locally), multicultural competence and sensitivity, integrity and ethical values, flexibility and responsiveness, communications and interpersonal skills, command of information systems and technology, and fluency in key languages.

While the book analyzes poverty levels, education levels, surviving-son syndrome, and women's empowerment in most developing countries, it might have been useful to add a chapter on corruption, which is an important factor in these countries and has a high impact on the growth of the economy. Nigeria, Indonesia, and India, for example, are high up on the "corruption scale" in world rankings. India could increase its GDP growth by 1.5% with a lid on corruption.

A great strength of the book is to be found in the many graphic charts that give us information at a glance. One, for example, is a map of the world drawn according to trade volume, where countries such as Hong Kong, Singapore, and Taiwan are seen as large, while India and Argentina, and in some ways, China, are seen as small. What an interesting way to project the realities of world trade!

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Note

1. Suhr developed CBA while working for many years with the U.S. Forest Service. He offers almost no proof that the method is superior, such as academic studies, or experiments. His own efforts provide all the support that he offers. Now, he consults on CBA and promotes its use worldwide.