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LOCATING GLOBAL ADVANTAGE

Industry Dynamics in the International Economy

Edited by Martin Kenney with Richard Florida

“Made in Mexico.” “Product of Taiwan.” “Manufactured in Honduras.” You need not go any further than the aisles of your local Wal-Mart to see that we live in the midst of an ever-globalizing economy. A shirt sold in this North American chain retailer may very well have been produced in Central America. So what? It makes perfect sense, you might think to yourself. Labor is cheaper there. But is it really as simple as that? No, say the contributors to *Locating Global Advantage: Industry Dynamics in the International Economy* (Stanford, 2004).

Although it may seem counterintuitive, more and more, corporations are positioning their operations in a number of countries in an effort to streamline their production systems. Today, any single product may be the assemblage of physical and intellectual inputs from a host of nations. That “Made in Mexico” label is likely, therefore, quite misleading.

Why is it that firms and entire industries based in developed nations seem to be increasingly dispersing their operations across the expanses of the globe? In *Locating Global Advantage*, Martin Kenney, Richard Florida, and other experts in various industries, ranging from cars to computers, discuss the complexity of managerial decisions to relocate operations overseas and spread their “value chains” across borders.

Kenney et al. present case studies within seven manufacturing industries—garments and textiles, automobiles and auto parts, television, hard disk drives, flat panel displays, semiconductors, and personal computers—illustrating how each industry and even each firm reacts differently to the pressures to maximize profits, minimize production costs,

and maintain customer satisfaction by bringing innovative products to the marketplace in a timely manner and at a competitive price.

How do firms decide where to position each point in their operations systems? The contributors to this book outline five factors affecting such locational decisions, demonstrating the diversity in responses to these influences across industries. In so doing, they prove that globalization is not the uniform process it has been purported to be, but rather an evolutionary process in which each corporation must respond to real constraints and opportunities relating to time, distance, skills, resources, and competition.

Locating Global Advantage digs below the numerical data to reveal the intricacies of doing business in an international economy. The findings presented in this exciting new volume will surely have important repercussions for policymakers, businesspersons, and anyone seeking to broaden his or her understanding of the global marketplace.

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