

Peter J. Williamson. Winning in Asia: Strategies for Competing in the New Millenium. Boston: Harvard Business School Press, 2004, 260 pages.

Reviewed by *Chip E. Miller*, Professor of Marketing, College of Business and Public Administration, Drake University.

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The author builds on previous efforts by Kotler, Kartajaya and Huan (*Think ASEAN!*, 2007) and Hamlin (*Asia's Best*, 1998) in explaining to the reader how corporations can win in Asia in the future. Readers are encouraged to see also *Sea Change* by Abegglen (1994) to get the proper historical background for the region. It helps greatly to put into perspective the incredible changes being undergone in the region. One of the most compelling reasons to read this book is its timeliness. East Asia is a rapidly changing business landscape, and the models that worked even 10 years ago are in many cases obsolete or in need of revision.

Mr. Williamson wisely limits the scope of the book to the original ASEAN nations (Taiwan, Thailand, Singapore, Philippines, Malaysia and Indonesia), China and to a lesser extent Korea. Thus he does not focus on Japan, which is arguably much farther advanced than these countries, nor on India, which is a case unto itself culturally and economically compared to the countries here. Vietnam is not included, but this is largely due to the publication date of the book. This is not a shortcoming, in that Vietnam's dramatic economic rise has largely occurred since 2004 and the models outlined in the book can be applied to that country as well.

The book emphasizes that East Asia is not like the United States or Europe in its business climate and corporate development and therefore business practices will follow a different model. For a firm to win there, it must be aware of the differences and learn to adapt themselves to form a hybrid entity that is more powerful and adaptable than either its Western or Eastern parents.

Because the book is meant primarily for Asian managers to grow and improve their businesses, why would a western business executive be interested in it? Because East Asia is obviously a burgeoning giant that sells to the world, not just a place that consumes western goods. Japan was only the opening act.

Asia commands our attention for three reasons—the workforce is growing, potential productivity increases using current technology are vast, and saving rates remain high. This region is attractive to the West and can be captured instead of ceding it to Asian corporations because, in Williamson's terms, Asians don't understand their regional markets.

Because the competition is becoming pan-Asian, it is no longer sufficient to be a specialist in one's own country. Going forward, a company must show total productivity, not merely cheap manufacturing, to succeed. Firms will need to differentiate themselves, create better, stronger Asian brands, improve international networks and consolidate industries. Western managers are warned that their model is no longer the only path to success and that it is likely to be replaced in this region and perhaps globally.

In the spirit of "know thine enemy", the author identifies seven groups of corporate gene pools with their unique approaches to business. This is a unique approach to clustering the disparate

Asian business types into identifiable clusters, and is a definite strength of the book. The groups are overseas Chinese corporations, Korean chaebols, mainland Chinese corporations, national champions, Japanese corporations, Singapore government-linked corporations and indigenous Malaysian corporations. He details the behaviors of each and how they differ from western business as well as each other. He further cites key corporate examples of each, some well known to westerners and others only familiar to Asia hands. The positive traits these groups bring to their businesses are alliance building skill, rapid learning, speed and first mover opportunity, commercialization, adaptability, controlling choke points and a tradition of service. These advantages are set against the drawbacks of overcentralized decision-making, focus on asset accumulation, growth by opportunism, underinvestment in intangible assets and sheltering behind national barriers. The list is well agreed upon by many East Asian business authors and professors.

There are crucial insights for western managers to absorb here. The old mindset must be tossed aside and a new one adopted. For success to be achieved, one needs to focus on an integrated Asia, not individual countries. This is revolutionary thinking. Also, one must harness Asian strengths other than merely low cost labor and be willing to learn from them, not just have knowledge flowing into Asia.

The book next identifies a number of areas where Asia needs to improve, outlines methods for doing so, and supplies western managers with strategies to take advantage of these opportunities before they are seized by the Asian businesses themselves. The most telling sectors where East Asia lags the West are productivity, innovation and brand development.

Several suggestions are made regarding the solutions to low productivity in Asia that can be implemented by Asian and western manager alike. The author does an excellent job of specifying explicit courses of action for the various types of management style seen.

Innovation is a more difficult challenge, to my mind. Old habits and stereotypes die hard, and the idea that Asians will be satisfied with older styles and technology because they lack the funds for anything better is outmoded. Asian consumers are moving with great speed toward demanding the latest and best, and are rapidly acquiring the financial resources to acquire such. Licensing or local innovation will not propel the firm to dominance any longer.

Asian brands are on the rise as well, and are coming as a shock to many outside the region. They tend to pursue two tracks to global success—highlighting their distinctively Asian flavor or projecting a global image. Singapore Air is offered as an example of the first method, while Acer, the Taiwanese computer giant, exemplifies the second. Both strategies are equally valid, and both run counter to expectations of western corporations that assume that Asian brands are inferior. Rectifying this view and showing a willingness to develop and launch brands from East Asia will be essential to future success in both the region and globally.

There are, perhaps shockingly to some, Asian multinational corporations that are world players. While their numbers in 2000 were miniscule, and the majority of that tiny fraction was Japanese, they are becoming legion. MNCs from Korea, Taiwan and China now occupy the top 100 lists, with more on the way. The book goes into detail about how the Asian companies can overcome their Asian heritage handicaps and how western firms can capitalize on the opportunities presented. While much of the material may appear to be redundant—it has been mentioned more than once earlier in the book—the theme bears repeating as a means to hammer away at long-held stereotypes by both Asian and western business executives.

A word to the wise regarding American MNCs is offered regarding their relationships with their Asian subsidiaries. More authority must be ceded to the branches if they are to survive in the increasingly competitive environment of East Asia. While it appears obvious that Asians know their market better than Americans, the book highlights in more detail why this step is crucial. Moreover, American companies must learn to integrate their operations across the region rather than merely proliferating the number of subsidiaries. Efficiency that allowed American firms to consolidate and create business titans here needs to be followed in Asia, such that pursuing the demands of consumers for quality brands, not national favorites or foreign offerings, is the strategy. Williamson further argues that consolidation of the very fragmented Asian business community is imminent, and western business is well positioned to enter the fray and weld new, powerful alliances with the best businesses in the region.

I found this book a compelling and well written volume. The author has decades of experience in Asia and has seen the various cultures first-hand, as well as witnessed immense change. His experiences mirror those I have seen in my work in East Asia and also reflect the stories my peers in the region have related to me. The models of previous generations of consultants and academics must be viewed in historical context and a new vision embraced. While some global players are not dealt with here—India is an obvious example that can be studied in *Chindia* (Engardio, 2007)—*Winning Asia* offers a solid set of strategy guidelines that can be employed across a wide range of industries. The use of successful Asian examples, as well as some that fared less well at various stages, serves to further point out that the road is not yet well traveled, and that both opportunities and hazards await. Using this book as a guide, the reader should find the former more obvious and latter more avoidable.