

# Geo-strategies for International Business

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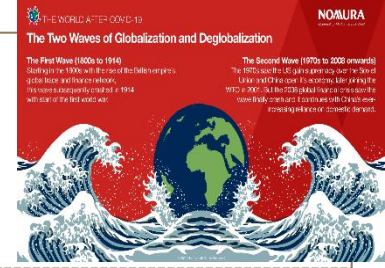
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2026



# The world is fracturing

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## We are in the age of most disruptive chaos

1. America's **tariffs** are the most disruptive trade shock in history
2. **Geopolitics** is supremely turbulent
3. We are undergoing an unprecedentedly weak and fragile state of global **governance**
4. We are living in the most **distrustful** and disordered era of the modern world
5. The harms of tariffs are **contagious**, spilling over into services, investment, capital flows, talent and people mobility, and cultural exchange
6. **Geo-economics** is experiencing unprecedented friction and fragmentation
7. The global **currency** order is being shaken, and a dollar crisis may be looming

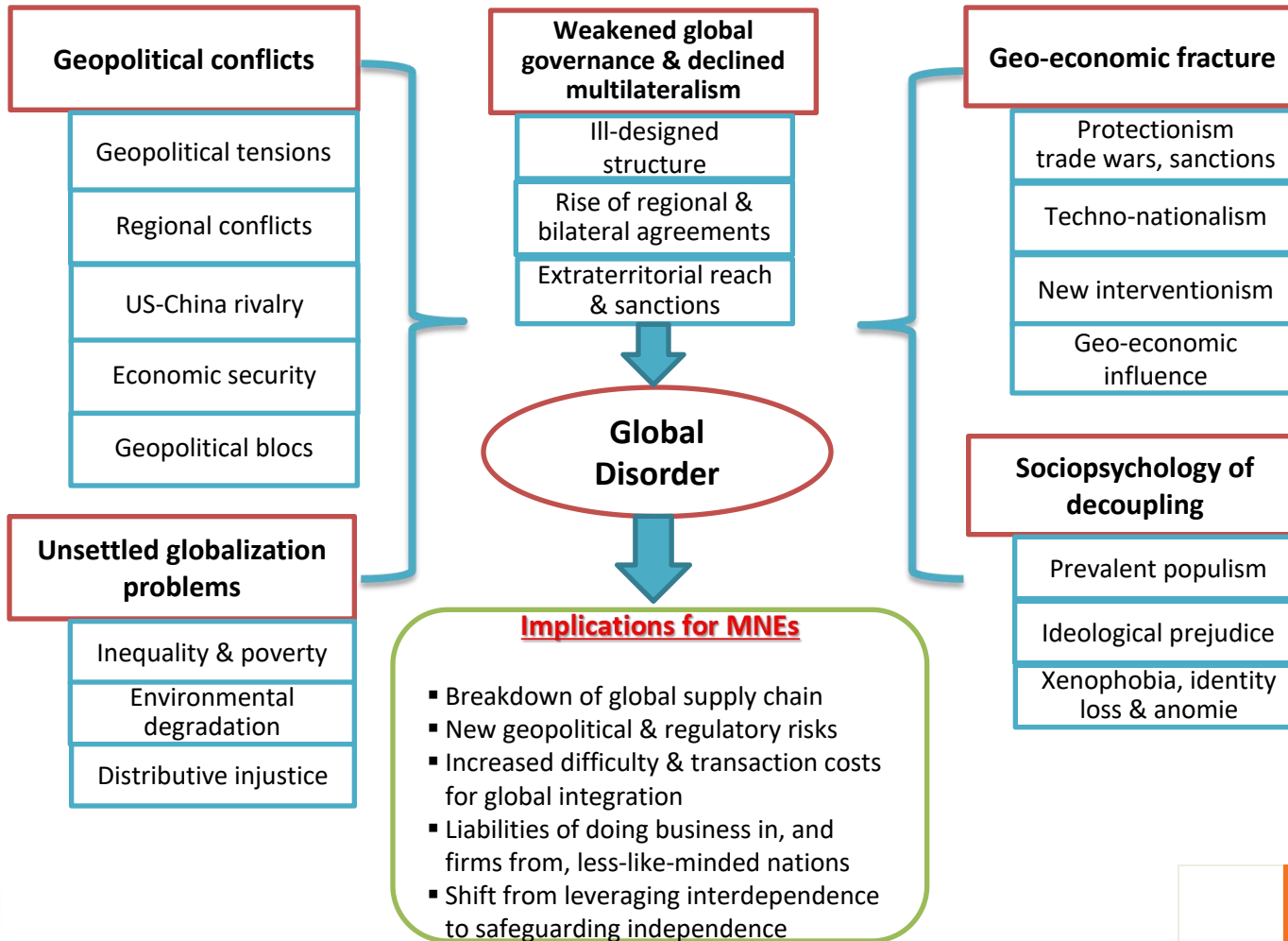
### ❑ **Old VUCA + New VUCA**

- ❑ **Vulnerability** - Most businesses are fragile and vulnerable to such chaos
- ❑ **Unpredictability** – Geopolitical disruptions are difficult to foresee and predict
- ❑ **Cracking** - Breaking apart of global markets, value chains, and governance systems into rival blocs and competing spheres of influence; existing order is eroding
- ❑ **Anarchy** – A global environment without effective governance, exposing firms to constant disruptions

A call for pragmatic geo-strategies for international business



# GLOBAL DISORDER





# Global Disorder – Paradigm shift



	Rules-based Openness & Multilateralism	Power-based Protectionism & Nationalism
1. <b>Rationales:</b> Trade Liberalism vs. Coercive Realism	Market-driven trade liberalism emphasizing openness, specialization, and efficiency across borders	Security- and techno-economic driven realism prioritizing national interests and control over interdependence
2. <b>Growth Platform:</b> Free Movement vs. Guarded Flows	Open markets and unfettered flows of trade, capital, people, and data as the foundation of shared growth	Protect domestic industries through subsidies, tariffs, investment screening, and regulatory controls
3. <b>Game Form:</b> Positive-Sum Cooperation vs. Zero-Sum Rivalry	Positive-sum cooperation where interdependence fosters complementarities and mutual gains.	Zero-sum rivalry where interdependence is treated as vulnerability, and one nation's gain constitutes another's loss
4. <b>Rule Architecture:</b> Multilateralism vs. Unilateralism	Multilateralism upheld by global institutions (e.g., WTO), embedding reciprocity and universal rules	Unilateralism and selective coalitions driven by opportunistic self-interest and exclusionary practices
5. <b>Policy Orientation:</b> Open Competition vs. Politicized Policy	Open competition and innovation encouraged for efficiency, knowledge diffusion, and collective progress	Politicized and market-distorting industrial policies to safeguard strategic sectors and national priorities
6. <b>Treatment of Others:</b> Non-Discrimination vs. Targeted Discrimination	Non-discrimination and 'national treatment' applied to all firms, ensuring level playing fields	Targeted discrimination based on nationality, sector sensitivity, or geopolitical allegiance
7. <b>Nature of Advantage:</b> Comparative Adv. vs. Comparative Suffering	Leverage comparative advantages of nations for specialization, mutual efficiency, and global welfare gains	Emphasize comparative suffering, aiming to weaken rivals even at cost to overall efficiency
8. <b>Value Chains:</b> Nourishing GVCs vs. Weaponizing GVCs	Harness global value chains to integrate resources worldwide, lowering costs and accelerating innovation	Weaponize value chains by exploiting chokepoints, prioritizing de-risking, redundancy, and political control
9. <b>Development Ethos:</b> Development Rights vs. National Primacy	Respect plural development rights and uphold mutual benefits through openness and knowledge sharing	Reassert national primacy by suppressing rivals' developmental opportunities and privileging sovereignty
10. <b>Risk Topology:</b> Country-bound vs. Bloc-bound Risks	A less bloc-bound order with diverse partners, inclusive cooperation, and pathways of shared progress	A fractured world order marked by bloc politics, ideological divides, and hegemonic competition



# Emerging Paradigm Axioms



Axioms	Key Points
<b>Axiom 1:</b> <b>Pervasive Guardrails</b>	Globalization continues, but within boundaries imposed by states through industrial policy, security controls, and selective openness. Cross-border flows are no longer unbounded but politically managed. MNEs must engage regionally and differentially, redesigning supply chains for redundancy and compliance while building nonmarket capabilities. Globalization becomes bounded interdependence where legitimacy and adaptation outweigh seamless efficiency
<b>Axiom 2:</b> <b>Imperative of Pragmatism</b>	Pragmatism supplants liberal and realist doctrines as the prevailing logic of global strategy. Neither universal openness nor pure rivalry explains today's environment; instead, firms adapt contextually, blending cooperation and competition as circumstances demand. Survival and resilience displace efficiency as priorities, with MNEs hedging across blocs, recalibrating GVCs, and embedding redundancy. Pragmatism thus anchors strategy in flexible calculation rather than ideology
<b>Axiom 3:</b> <b>Plural Rationalities</b>	MNEs operate under multiple logics that rarely align: efficiency, resilience, compliance, legitimacy, and security. These rationalities coexist and often conflict, requiring strategy as an ongoing balancing act rather than optimization under a single calculus. Firms must continuously negotiate contradictions—openness versus protection, efficiency versus redundancy, innovation versus security—recognizing hybridity as a permanent condition of international business
<b>Axiom 4:</b> <b>Bounded Interdependence</b>	Interdependence endures but is filtered through regulatory oversight, sovereignty concerns, and geopolitical rivalry. Global networks in trade, finance, and data are no longer frictionless but conditional and contested. Firms must actively secure access, legitimacy, and continuity by building redundancy, parallel infrastructures, and scenario planning. Interdependence is transformed from a stabilizing foundation into a managed and vulnerable resource requiring constant vigilance
<b>Axiom 5:</b> <b>Multipolar Orientation</b>	The global order is polycentric, shaped by multiple power centers with divergent rules, standards, and institutions. MNEs cannot rely on uniform strategies but must pursue differentiated approaches within blocs while cautiously managing ties across them. Multipolar orientation demands dense intra-pole engagement, portfolio diversification, and institutional literacy. Competitiveness now rests on geostrategic dexterity in orchestrating across fragmented systems, not on convergence under a single order



# GLOBAL DISORDER & GEOPOLITICS - REALISM

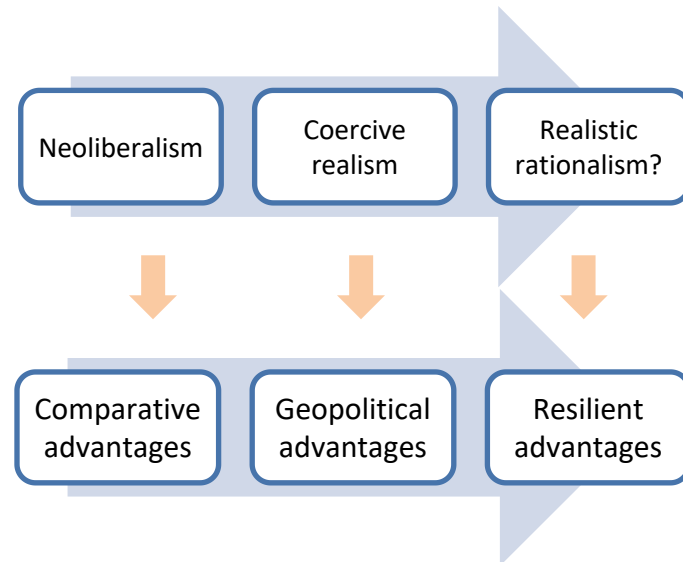


## Political Realism Theory

1. Views the world as zero-sum competing and conflictual. Economic coercion against other nations is seen as legitimate
2. States are principal actors act in pursuit of their own national interests & struggle for power
3. State behavior shouldn't be constrained and no overarching authority could enforce compliance
4. Securing survival is ultimately a function of hard power (military, economic, and political). Realism offers a very reductionist rather than realistic picture of international politics
5. Globalization rises when a powerful country (hegemon) creates and maintains, for its own benefit, sets of international institutions that govern trade and investments

## Political Liberalism Theory

1. International institutions play a key role in cooperation among states. With these international institutions, and increasing interdependence (including economic and cultural exchanges) states have the opportunity to reduce conflict
2. International diplomacy can be a very effective way to get states to interact with each other and support nonviolent solutions to problems
3. States can work together to maximize prosperity and minimize conflict, and that international trade and investment is a facilitator for this goal
4. Liberalism acknowledges the contributions of technology and openness in globalization
5. Globalization is seen as reconceptualization of democracy, citizenship and community and deliberately thought-out organization for the world and for its future development



**Realistic rationalism or inclusive pragmatism as a future alternative?**

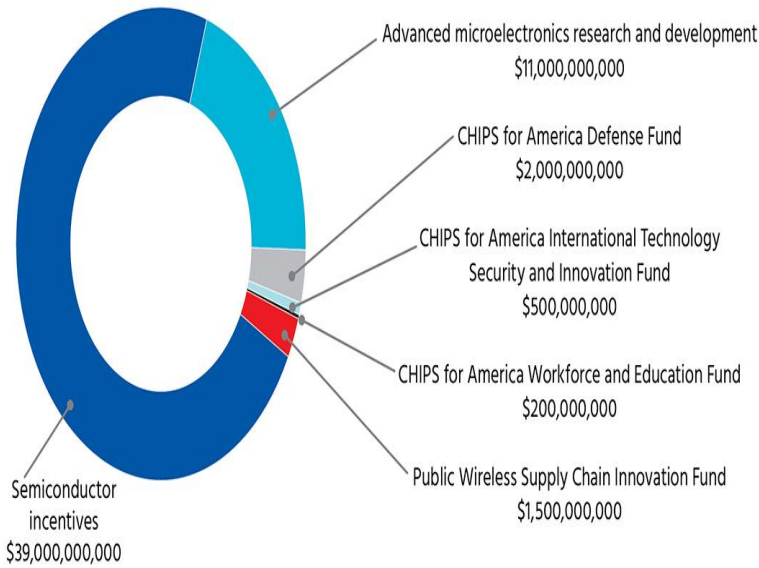


# Techno-Geopolitical Uncertainty



Figure 3 – CHIPS for America Act of 2022

hinrich foundation  
advancing sustainable global trade

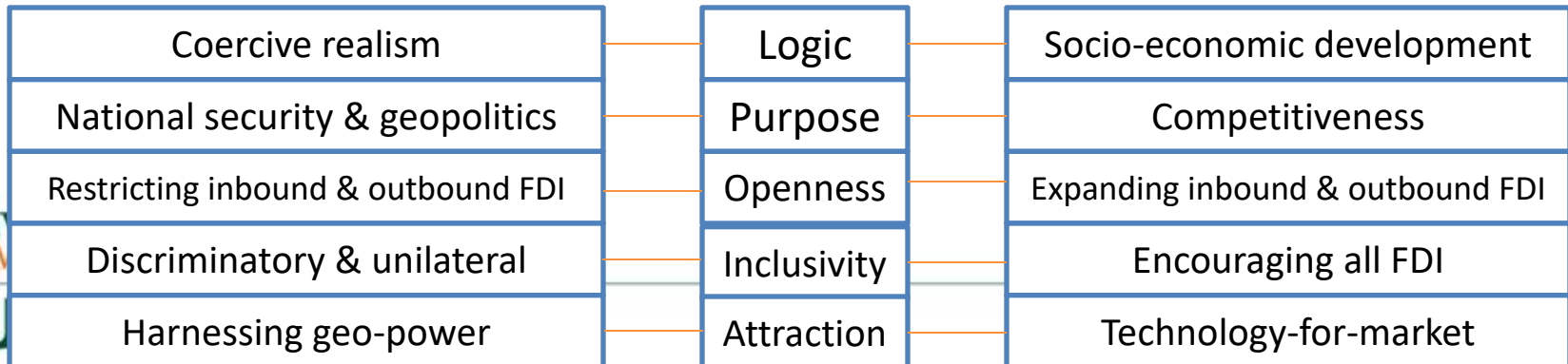


Source: forrester.com

Figure 1 – “Made in China 2025” plan highlights 10 sectors

	New generation information technology		New energy and energy-saving vehicles
	High-end computerized machines and robots		Energy equipment
	Aerospace		Agricultural machines
	Maritime equipment and high-tech ships		New materials
	Advanced railway transportation equipment		Biopharma and high-tech medical devices

Source: “Notice of the State Council on Issuance of Made in China 2025, May 8, 2015 Guofa [2015] No. 28”



# GEOPOLITICS & GEOSTRATEGIES – AN OVERALL FRAMEWORK



## A paradigm shift from market liberalism to techno-nationalism

1. Relinquish free-trade rules
2. Accentuate market-distorting industrial policies
3. Weaponize global value chains (GVC) for geopolitical purposes

### *Underlying theoretic rationale*

1. Geopolitical conflict is an origin of techno-political uncertainty
2. A deep-rooted logic is the coercive political realism
3. The realism logic advocates to win zero-sum competition by making the self-state stronger and rival states weaker

## Stakeholder responses

Customer responses  
Supplier responses  
Partner responses  
Investor responses

## Theories to integrate

Political psychology  
Int'l relations  
Political science  
Economic sociology

## Advancing MNE Theories

1. Broaden IB risk and intelligence perspectives
2. Embrace new features in TCE and information processing theories
3. Reveal co-evolution (with environment) and co-adaptation (with ecosystem partners)
4. Unveil geo-strategies
5. Diagnose ambidextrous pursuits of independence and interdependence
6. Integrating MNE theories with more preminent macro landscapes

## Examining MNE Actions

1. Geo-strategies
2. Reconfiguration
3. Resilience
4. Corporate diplomacy

### *Aligning responses with firm-specific positions*

1. Market dependence
2. Technology dependence
3. GVC interdependence
4. Risk mitigating capabilities



# GEOPOLITICS - FIVE THEORIES

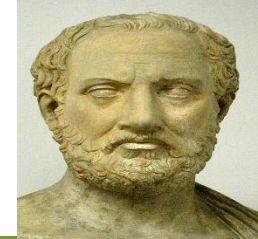


- ***The Hegemonic Stability Theory*** - The US remains the world's hegemon, the sole superpower, albeit a hegemon that is challenged by a rising competitor, China, and by a lesser but nuclear-armed competitor, Russia
- ***The Hegemonic Competition Theory*** - Sometimes nicknamed the Thucydides Trap theory, holds that China's rise has ushered in a period of confrontation between the United States and China, analogized to that of Sparta (incumbent power) and Athens (rising power) in the Peloponnesian wars
- ***The Hegemonic Decline theory*** - The US is no longer willing or able to play the role of global stabilizer (if it ever did), akin to the period of British decline after World War I. It holds that the waning of a hegemon leads to global instability
- ***The Realist theory*** - Geopolitics is defined by great power politics, with China, the United States, the EU, Russia, and increasingly India, playing the role of the great powers, and sharing the world stage with regional powers (such as Brazil, Iran, Isrel, and Saudi Arabia, among others)
- ***The Multilateralist theory*** - Holds that only global cooperation and multilateralism, organized around UN institutions, can save us from ourselves, whether from war, dangerous technologies, or human-induced climate change. It believes that global public goods can be provided cooperatively by the UN member states rather than by a single hegemon





# GEOPOLITICS – TWO TRAPS



## Kindleberger Trap

- Economic historian, *Charles Kindleberger*, observed that after the First World War, Britain was no longer capable of providing global public goods, whereas the rising power, the US at the time, was reluctant to do so
- The result of the lack of leadership was the disastrous 1930s, with the international monetary system in tatters, a beggar-thy-neighbor trade policy, and ultimately war. This experience was a key motivation for the architects of the post-World War II order
- He posits that global stability depends on a leading power willing and able to supply public goods that benefit the international community as a whole. When a dominant power fails to fulfill this role—due to unwillingness, incapacity, or a lack of coordination with other states—the international system becomes prone to disorder



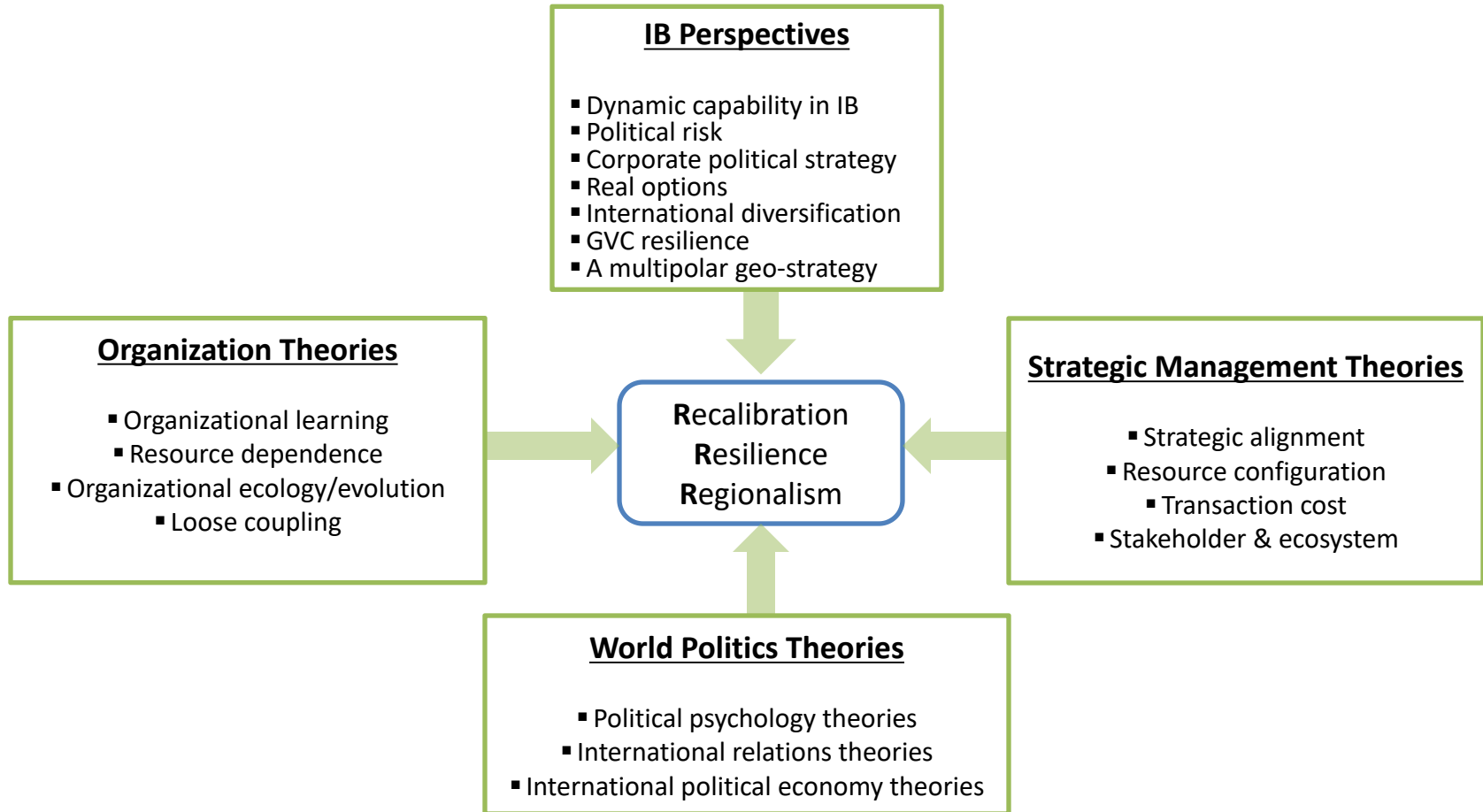
## Thucydides Trap

- The Thucydides Trap describes the theory that when a great power's position as hegemon is threatened by an emerging power, there is a significant likelihood of war between the two powers
- In contrast, the Kindleberger Trap focuses on the consequences of a leadership vacuum rather than direct confrontation. Together, these concepts underscore the complexities of maintaining global order amid changing power structures
- Graham Allison used the term to describe a tendency towards war when a rising power (such as Athens) challenges the status of a ruling power (such as Sparta). Allison expanded this significantly in his 2017 book *Destined for War*, in which he argued that "China and the US are currently on a collision course for war"

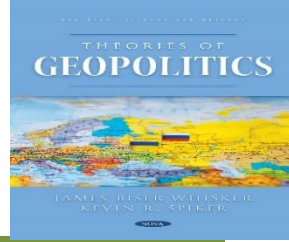
While the *Thucydides Trap* focuses on the dangers of a rising power threatening an established one, the *Kindleberger Trap* centers on the risks stemming from a failure to adequately provide global public goods—such as economic stability, security, or free trade—during transitions of international leadership



# GEO-POLITICS & GEO-STRATEGIES – INTEGRATING THEORIES



# GEO-POLITICS & GEO-STRATEGIES – THEORIES FROM OTHER FIELDS



Political Psychology  
Theories



International Relations  
Theories



International Political  
Economy Theories

**Cognitive Dissonance Theory** (e.g., Festinger, 1957)

**Political Attachment Theory** (e.g., Koleva & Rip, 2009)

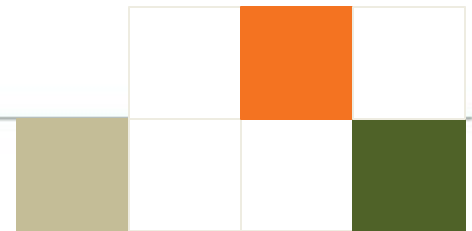
**Realistic Intergroup Conflict Theory** (e.g., Jackson, 1993)

**Ideological Narcissism Theory** (e.g., Hatemi & Fazekas, 2018)

**Neorealism (structural realism), neoliberalism (neoliberal institutionalism), constructivism** (e.g., Wendt, 1999), **realistic constructivism** (e.g., Barkin, 2010)

**Complex interdependence** (e.g., Robert Keohane, Joseph Nye), **Transnationalism** (e.g., Steven Vertovec), **post-humanism** (e.g., Rosi Braidotti)

**Economic structuralism** (e.g., Susan Strange), **world system** (e.g., Immanuel Wallerstein), **economic nationalism** (e.g., Dani Rodrik), **geo-economic competition** (e.g., Robert Gilpin), **global economic governance** (e.g., Robert Cox)



# GEO-POLITICS & GEO-STRATEGIES – THEORIES FROM OTHER FIELDS

THEORIES OF  
GEOPOLITICS



JAMES H. J. WILLS  
KEVIN R. SPIER

## International Relations Theories

### Neo-realism (structural realism)

Proposed by Kenneth Waltz (1979), neo-realism argues that the international system is anarchic—there is no overarching authority above states—so states must rely on themselves for survival. Their actions are largely shaped by the structure of this system, especially the distribution of power (unipolar, bipolar, multipolar)

### Neo-liberalism (neoliberal institutionalism)

Despite the anarchic nature of the international system, cooperation is achievable through institutions, economic interdependence, and shared interests. Neo-liberalism argues that mutual gains, long-term benefits, and rule-based governance encourage collaboration among rational states (Keohane, Nye)

### Constructivism (e.g., Wendt, 1999)

Emphasizing the role of identities and social interactions in shaping the behavior of states and other international actors. Unlike realism or liberalism, which focus on material forces (power, institutions, resources), constructivism argues that much of what defines the international system is socially constructed rather than inherently given

### Realistic constructivism (e.g., Barkin, 2010)

State actions are driven by both realpolitik considerations (power, security, national interest) and socially constructed factors (norms, identities, beliefs). It challenges the rigid dichotomy between realism and constructivism, arguing that material and ideational forces are interdependent, not mutually exclusive

### Complex interdependence (e.g., Keohane & Nye, 1977)

States and societies are connected through multiple channels (e.g., businesses, people, NGOs), making their relationships more cooperative, multifaceted, and interdependent than what realism predicts

### Transnationalism (e.g., Steven Vertovec)

Transnationalism refers to processes and interactions that cross national boundaries, creating sustained ties among non-state actors—such as individuals, communities, firms, NGOs, and social movements—who operate across multiple countries

### Post-humanism (e.g., Rosi Braidotti)

Post-humanism seeks to decenter the human in how we understand the world, proposing that we must rethink our assumptions about agency, identity, intelligence, and ethics in the face of new realities—such as AI, biotechnology, environmental crises, and non-human agency. It addresses how technologies (e.g., AI, robotics, biotechnology) are not just tools but active participants in shaping human existence and knowledge

# GEO-POLITICS & GEO-STRATEGIES – THEORIES FROM OTHER FIELDS

THEORIES OF  
GEO POLITICS



## Economic structuralism (e.g., Susan Strange)

Susan Strange criticized both realists and liberals for ignoring economic structure (e.g., who control resources) and transnational forces, pushing the field to recognize how global capitalism creates and sustains structural inequalities. This view sees the international system being economically stratified, where wealthy capitalist states and MNEs dominate and exploit the resources, labor, and markets of poorer countries to maintain their power

## World system (e.g., Immanuel Wallerstein)

The world is structured as a global system of economic and political relationships in which wealth, resources, and labor are unequally distributed. Countries (core, peripheral, and semi-peripheral) occupy different positions within this system, leading to systemic exploitation and uneven development. The global system is sustained by exploiting peripheral economies through unfavorable terms of trade, labor exploitation, and capital extraction

## Economic nationalism (e.g., Dani Rodrik)

The state is seen as the chief architect of economic development, and economic decisions are judged by how well they serve national interest, not global efficiency. Economic nationalists advocate tariffs, subsidies, quotas, or industrial policy to protect domestic industries and prevent foreign dominance. Globalization is viewed as potentially undermining national sovereignty, hollowing out local industries, and increasing foreign dependency

## Geo-economic competition (e.g., Robert Gilpin)

Unlike traditional geopolitics, which focuses on military power and territorial control, geo-economics emphasizes economic statecraft as a primary mode of competition, coercion, and influence in international affairs - Strategic use of economic means to achieve geopolitical ends (Robert Blackwill, Edward Luttwak, etc.). Gilpin (1975) analyzed how U.S. foreign policy and economic power—especially through MNEs—were strategically deployed to advance national interests

## Global economic governance (e.g., Robert Cox)

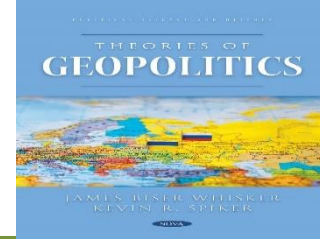
It focuses on how the world's economic systems are regulated, by whom, and to whose benefit, enacted through formal institutions (e.g., WTO, IMF, World Bank, BIS, G20) and informal arrangements (e.g., global standard-setting bodies, networks of central banks, private rating agencies) by not only the states but other stakeholders such as MNEs

International  
Political  
Economy  
Theories

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# GEO-POLITICS & GEO-STRATEGIES – THEORIES FROM OTHER FIELDS



## Political Psychology Theories

### Cognitive Dissonance Theory (e.g., Festinger, 1957)

- When individuals, teams or entities face inconsistencies between their beliefs (or between two beliefs), they experience psychological tension or dissonance. To reduce this discomfort, they are motivated to restore consistency by adjusting their beliefs or behaviors
- Geopolitical tensions heighten this dissonance, and MNEs must develop coherent geo-strategies that align with corporate goals, needs and values

### Political Attachment Theory (e.g., Koleva & Rip, 2009)

- Individuals or entities form their own attachment to political figures, parties, institutions or nations
- Political attachment can explain deep emotional investment in national identity, often resisting rational critique
- These attachments influence how people process political information, engage in civic behavior, and respond to uncertainty or threats

### Realistic Intergroup Conflict Theory (e.g., Jackson, 1993)

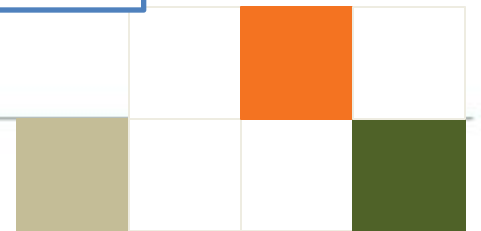
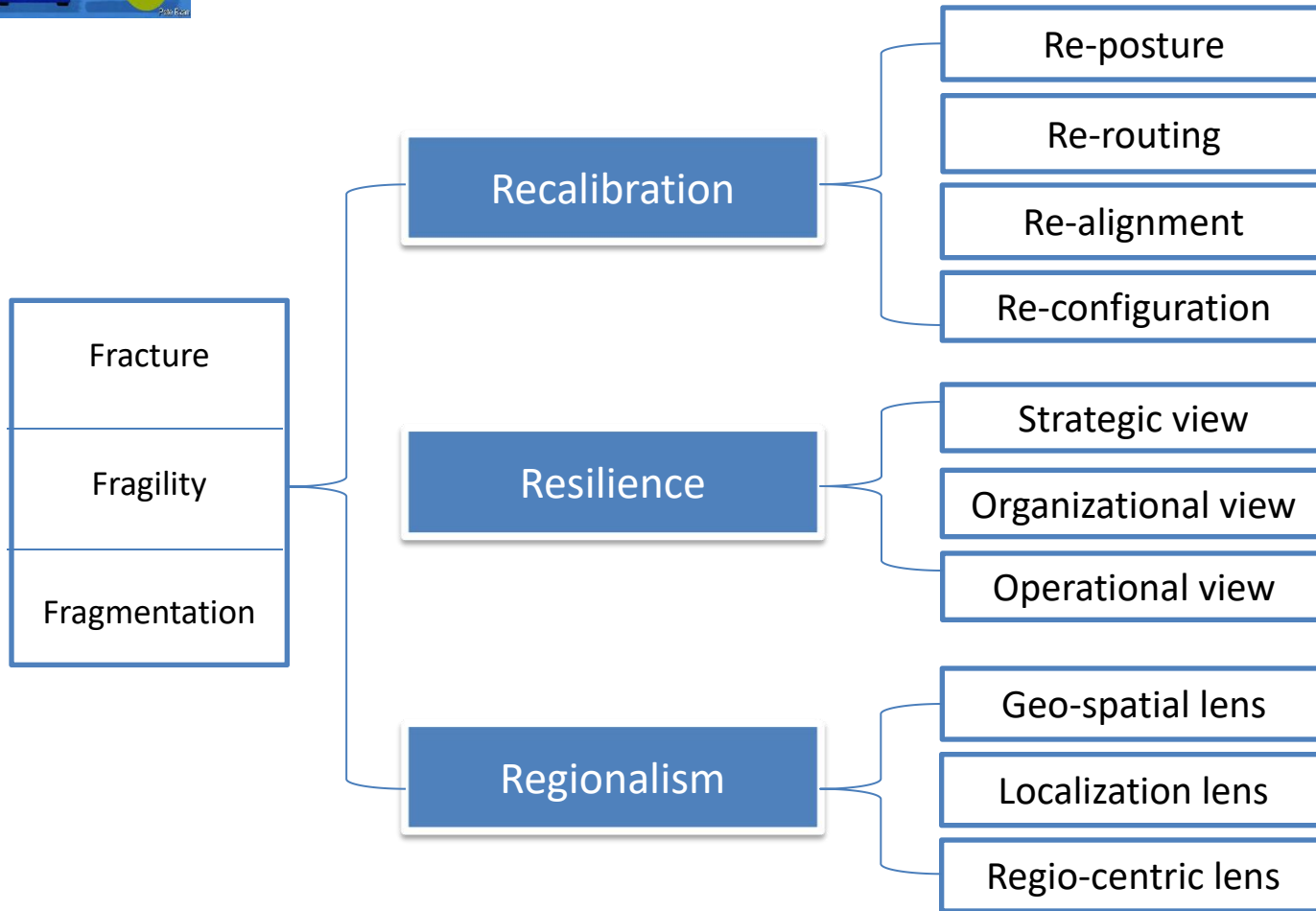
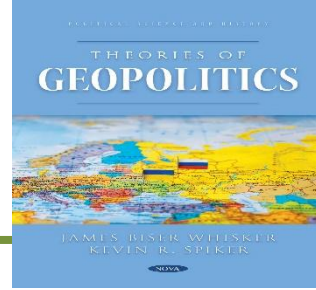
- The theory posits that conflict is not merely due to differences in values or identities, but is rooted in real or perceived material interests
- When groups see their goals as incompatible (zero-sum), tensions intensify; Group identity strengthens under threat: In-group loyalty increases, and out-group hostility grows
- Power asymmetries matter: Dominant groups may develop prejudices to justify maintaining control; disadvantaged groups may resist, fueling further conflict

### Ideological Narcissism Theory (e.g., Hatemi & Fazekas, 2018)

- It describes how individuals or groups become excessively self-centered and emotionally invested in their ideological beliefs, often to the point of intolerance, moral superiority, and hostility toward dissenting views
- They see their belief system as inherently righteous or enlightened, while others are seen as ignorant, immoral, or dangerous
- Polarization and intolerance: Little space for dialogue or compromise; Reinforced by like-minded groups or media, creating a feedback loop of validation and self-righteousness

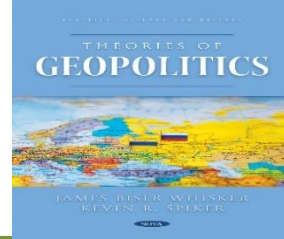


# GEO-STRATEGIES – (3R)





# GEO-STRATEGIES – 3R LENS



**Recalibration** refers to the continual adjustment of global operations in response to shifting geopolitical, economic, and technological pressures

**Re-posture:** Re-aligning overall stance in world markets and specific geographical and business portfolio—whether to expand, retreat, or hedge via diversification, divestiture, or relocation

**Re-routing:** Adjusting supply chains and trade flows (onshoring, near-shoring, and friend-shoring included) to bypass chokepoints or politically sensitive markets, or expand via investing in third countries

**Re-structuring:** Restructuring production networks, alliance networks, ownership patterns, and investment locations to reduce exposure and risks

**Resilience** focuses on the capacity of firms and states to absorb shocks and sustain competitiveness under uncertainty. It is not just defense; it is the ability to turn vulnerabilities into adaptive strength

**Strategic view:** Intelligently anticipating systemic shocks and embedding flexibility into global strategy rather than reacting after crises emerge. It requires firms to incorporate geopolitical volatility, supply chain disruptions, and technological shifts into long-term planning

**Organizational view:** Structures, routines, and decision processes that allow quick adaptation and crisis management

**Operational view:** Diversify global supply chains, digital monitoring, and modular systems that safeguard continuity

**Regionalism** reflects a new form of regionalization strategy that is defined less by geography but by geopolitical and geo-economic dynamics. Regionalism reflects the shift from hyper-globalization to multipolar, regionalized blocs or zones  
**Geo-spatial lens** highlights that regionalization is shaped by power relations, geopolitical and geo-economic alignments, rather than mere proximity

**Localization lens** underscores that MNEs will place less emphasis on globally integrating and tightly controlling diversified activities, and instead move toward deeper regionalization and localization—for instance, by embedding more value chain activities within specific regional or local contexts

**Regio-centric lens** focuses on treating regions (e.g., EU, ASEAN, BRICS) as semi-autonomous economic spheres, with tailored operations and governance



# New regionalization



1. Bilateral, trilateral, and regional FTAs are becoming more important than ever before as an stabilizing force against global disorder
2. Following, pursuing and leveraging FTA opportunities presents a strategic pathway for MNEs within and beyond regional boundaries against global disorder. Global posture and (re)location strategies need to align better with FTAs. In this sense, regionalization is re-emerging
3. New regionalization differs from conventional wisdom in several ways: (a) not defined by geography (b) it unfolds when multilateralism is extremely weakened (c) no-singularity, non-exclusivity, cross-overlapping – nation states take part in multiple bi- or multilateral treaties or blocs at the same time, resulting a sophisticated nexus of multi-polar, multi-regional zones
4. This non-exclusivity blurs the traditional boundaries of regionalism, producing a cross-overlapping (sometimes competing) system. Rather than aligning strictly with one bloc, both states and firms hedge their risks and expand their options by engaging with multiple constellations at once. The result is a fluid and fragmented order in which power, trade, and investment are distributed across intersecting networks, rather than contained within discrete spheres
5. The new wave of regionalism is less about inward-looking exclusivity and more about a pragmatic response to the breakdown of global order. As multilateralism falters—with institutions like the WTO unable to enforce rules effectively—and as unilateralism proves destabilizing, states and firms are compelled to seek a middle ground





# New regionalization



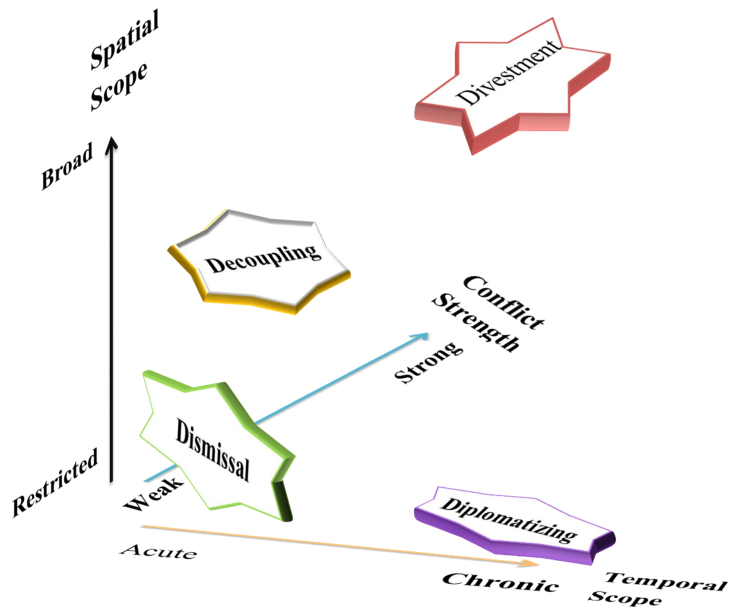
- ❖ MNEs must shift from seeing regionalism as a constraint to using it as *a strategic architecture*:
  - ❖ From global uniformity → to *multi-regional parallelism*
  - ❖ From centralized control → to *regional autonomy with coherence*
  - ❖ From efficiency-only → to *resilience + adaptability*
- With no-singularity and non-exclusivity, MNEs can leverage overlapping treaties to secure *multiple market entry points*, favorable dispute mechanisms, or flexible rules of origin, but this requires sophisticated geo-economic and geopolitical intelligence and legal agility to navigate contradictions between regimes
- Firms should embed more deeply in local and regional ecosystems (e.g., local suppliers, talent, and regulations), while maintaining a coherent global brand and standards. Under new regionalism, MNEs are developing *more differentiated and more localized regional hubs*, as well as sub-regional hubs within regions. These hubs are more differentiated and deeply embedded in local contexts than those created under traditional regionalization strategies
- In fragmented regional orders, corporate headquarters play *a diplomatic role*, negotiating with regional regulators and governments. This requires regional legitimacy strategies — what works in ASEAN may differ from Africa or Middle East



# GEO-STRATEGIES – GEOPOLITICAL EXPOSURE



$$\text{Exposure} = D \times D \times S$$



**Dependence (level)**



Technology-related  
Markets-related  
Supply-related



**Disruption (rate)**



Within-country  
(home and host)  
Across-nations



**Substitutability**



Strategic alternatives  
Risk affordability  
Location alternatives

Risk = Exposure x Likelihood

Response = F (Risk,  
Affordability, Resilience, Goals)





# GEO-STRATEGIES – GEOPOLITICAL RISK



## New IB Risks

1. Geopolitical risk
2. Digitization risk
3. Dependence risk
4. Sociocultural risk

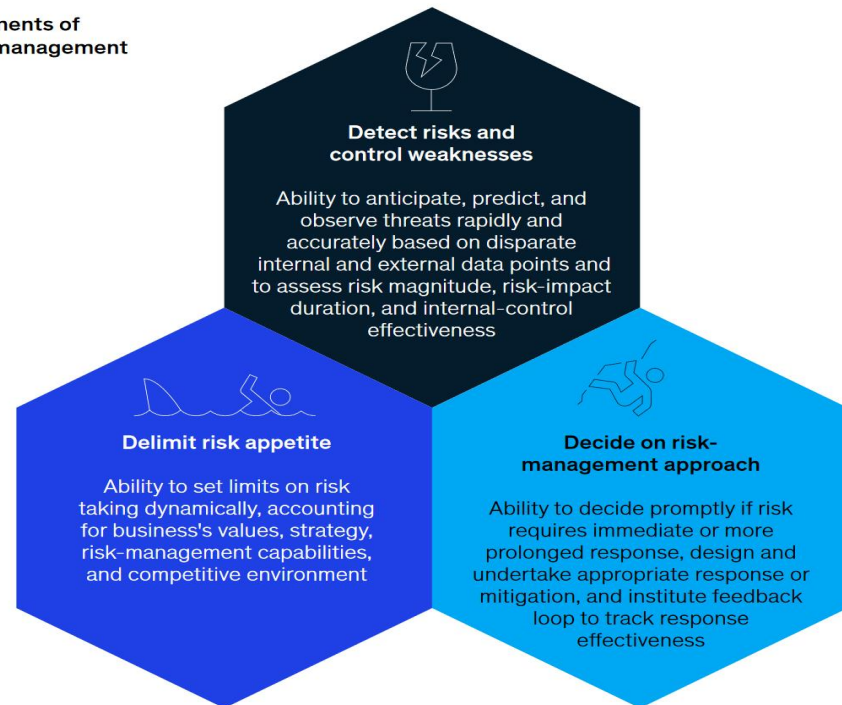


## Risk Responses

1. Diversified yet controlled global value chain
2. Designing, governing and managing cross-border interdependency
3. New location and localization strategies
4. Global market reconfiguration, re-posture, realignment & reorganization

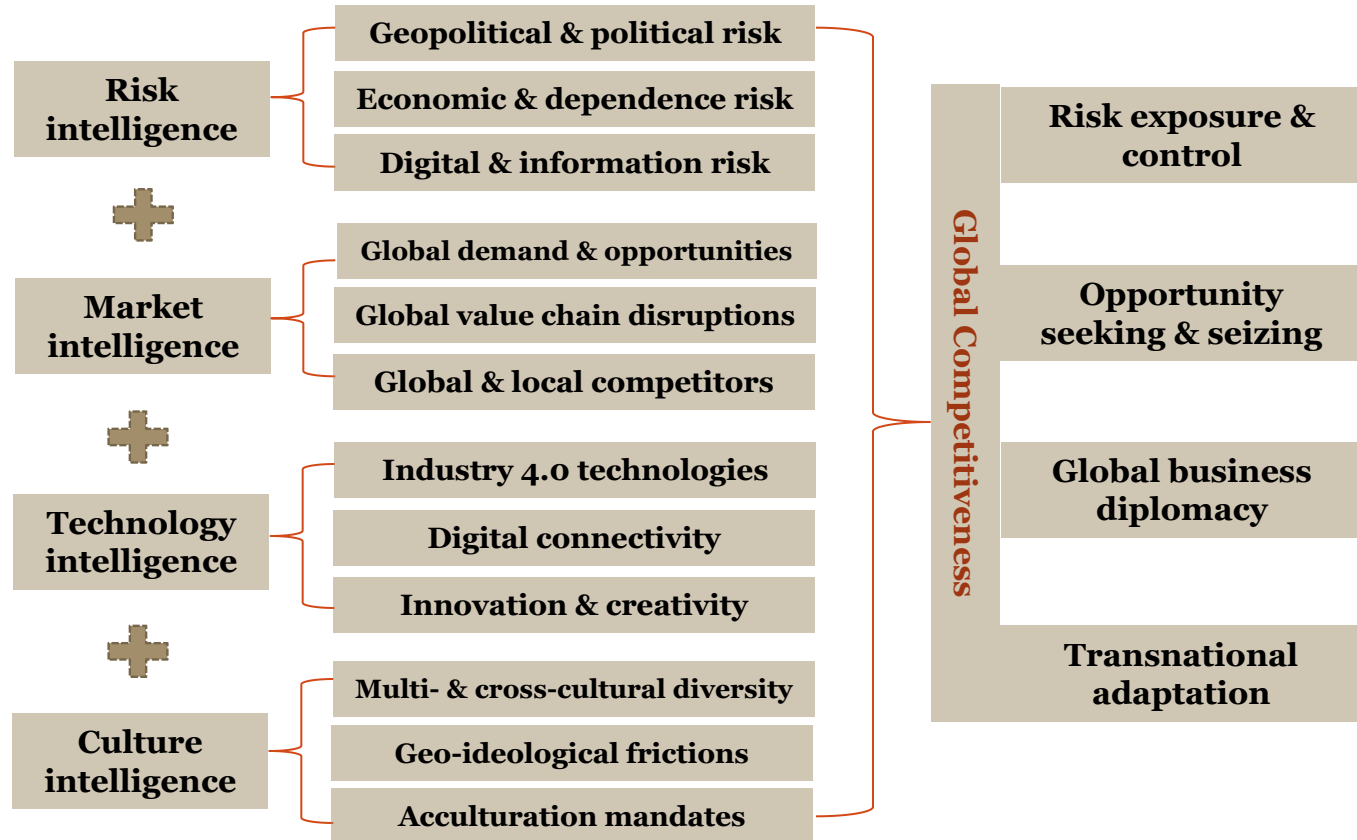
Companies require dynamic and flexible risk management to navigate an unpredictable future in which change comes quickly.

3 core components of dynamic risk management

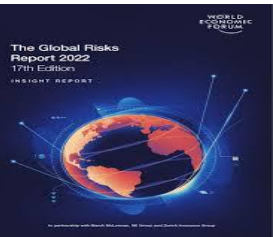




# GEO-STRATEGIES – BUSINESS INTELLIGENCE



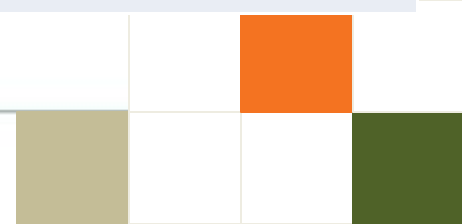
4C Actions: **Collect, Connect, Collaborate, Combine**



# GEO-STRATEGIES - MANAGING NEW RISKS



Approaches	Key Points	Corporate Actions
<b>Resilience</b>	<ul style="list-style-type: none"> <li>Beyond mere reaction to risks, strategic resilience involves anticipating, preparing for, responding to, and recovering from risks in a way that ensures long-term growth</li> <li>It encompasses the implementation of flexible strategic actions, continuous learning, and adaptation to mitigate risks effectively</li> </ul>	<ul style="list-style-type: none"> <li>Fostering a <b>culture of resilience</b> where innovation, strategic diversification, and adaptability are at the forefront of managing international business risks</li> <li>This includes developing robust <b>contingency plans</b>, leveraging real-time data for decision-making, and engaging in scenario planning to anticipate future challenges and opportunities</li> </ul>
<b>Applicability</b>	<ul style="list-style-type: none"> <li>Ability to transfer and share risk intelligence across units and adapt to changing market circumstances</li> </ul>	<ul style="list-style-type: none"> <li>Encouragement of <b>intelligence sharing</b> and adaptability to foreign market specificities through organizational support and modular strategies</li> </ul>
<b>Connectivity</b>	<ul style="list-style-type: none"> <li>Utilization of digital technologies to enhance IB intelligence and risk control, complementing organizational-level support</li> </ul>	<ul style="list-style-type: none"> <li>Enhancement of <b>digital intelligence</b> with technologies for identifying risks and simulating scenarios, supported by structural agility and cross-border coordination</li> </ul>
<b>Mindset</b>	<ul style="list-style-type: none"> <li>Avoidance of detrimental mindset structures such as silo, fear-of-failure, parochial, and detachment mindsets</li> </ul>	<ul style="list-style-type: none"> <li>Cultivation of a positive, <b>prudent risk mindset</b> across all levels of the organization, including openness to new analytics and multiple perspectives on risk</li> </ul>
<b>Foresight</b>	<ul style="list-style-type: none"> <li>Anticipation of future internationalization challenges and preparation through both short-term measures and long-term vision</li> </ul>	<ul style="list-style-type: none"> <li>Investment in risk intelligence analytics, commitment to <b>predictive and preventive steps</b>, and strategic flexibility to integrate uncertainty into strategy processes</li> </ul>
<b>Orchestration</b>	<ul style="list-style-type: none"> <li>Cohesive network orchestrated by corporate headquarters integrating various aspects of IB risks</li> </ul>	<ul style="list-style-type: none"> <li>Designation of risk intelligence and control units with specific roles, leveraging global and transnational approaches for <b>glocalized risk control</b></li> </ul>



# Geo-strategies - Recalibration



## De-risking policies drive corporate re-routing

- De-risking create trade barriers, prompting firms to re-route FDI and supply chains to less or unaffected countries
- Incentivizing on-shoring, friend-shoring or nearshoring
- Forcing firms to align with geopolitical allies of home country
- Compelling firms to avoid sanctioned countries and see alternatives
- National security mandate is too influential to disregard by any firm

## Springboard rerouting

## Friend-shoring & Re-shoring

## Re-routing GVC

## Following trade agreements

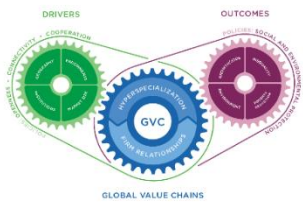
## Co-locating

### Geo-strategic benefits:

- Alleviating geopolitical risks
- Recalibrating global posture
- Seeking new geo-economic growth opportunities
- Balancing independence and interdependence

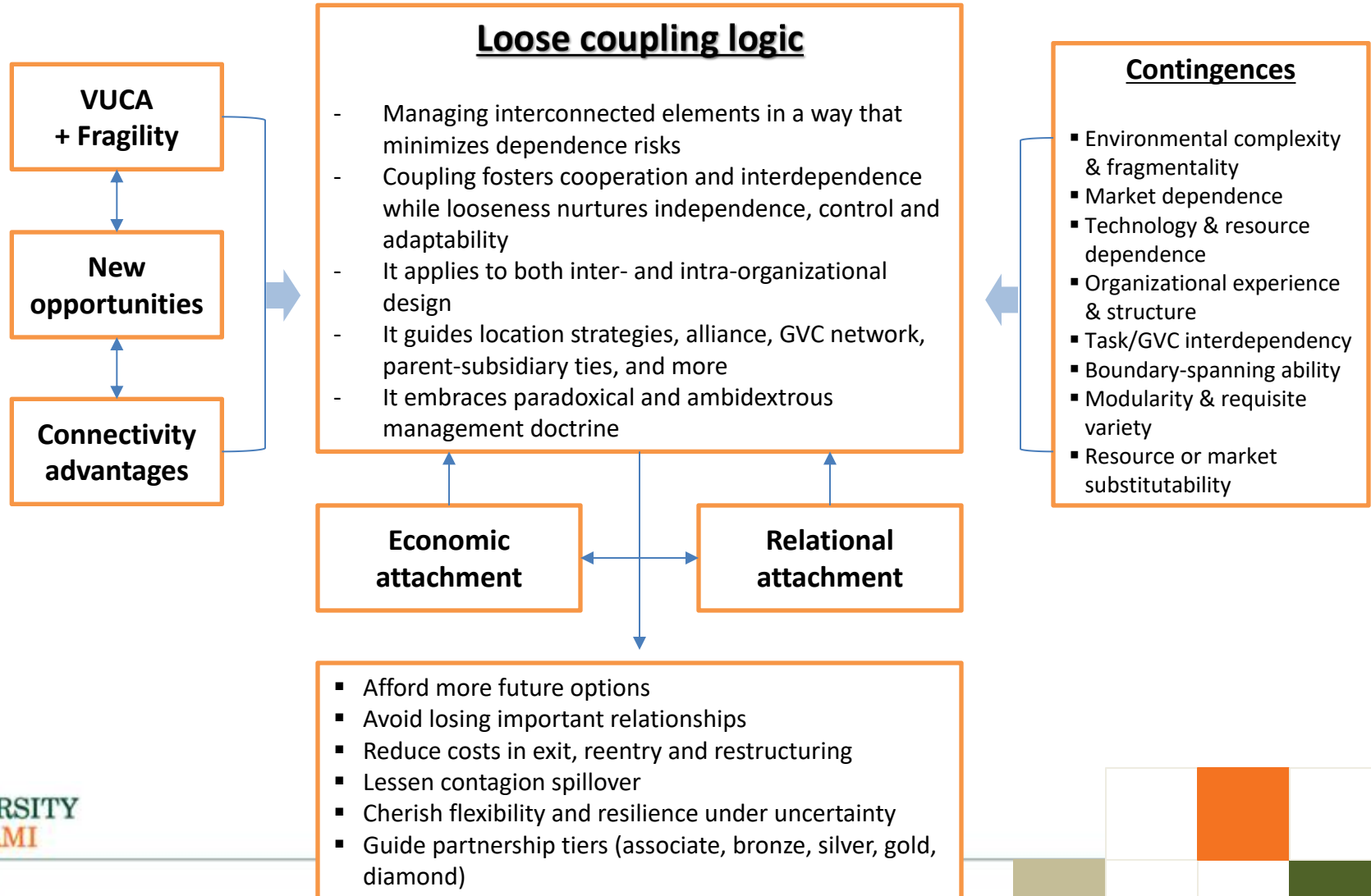
### But new challenges:

- Global planning complexity
- Structural inertia for re-routing
- New entry costs
- Exit costs & switching costs
- Re-deployment & realignment costs



# GEO-STRATEGIES –

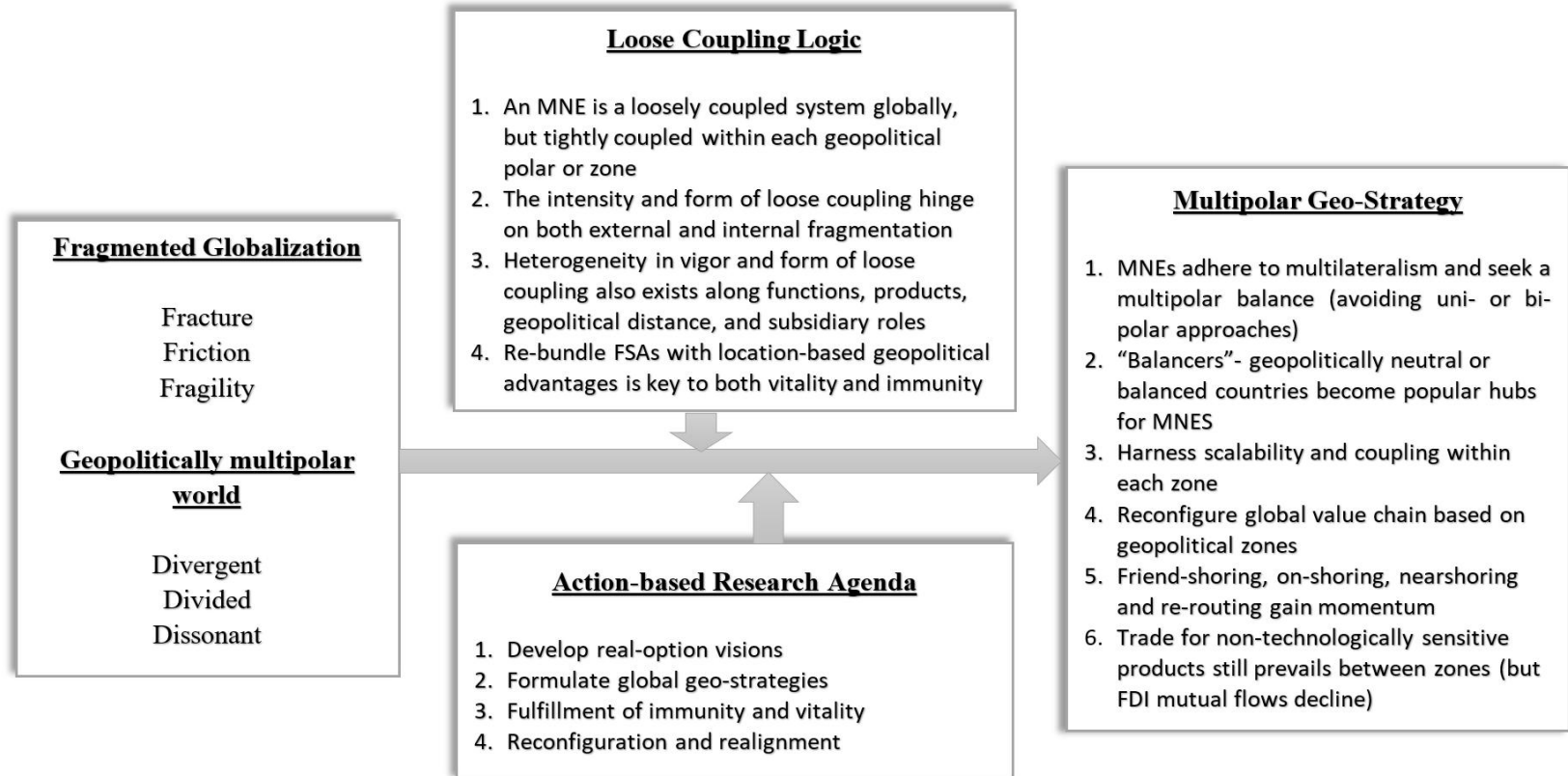
## BALANCING INTERDEPENDENCE & INDEPENDENCE



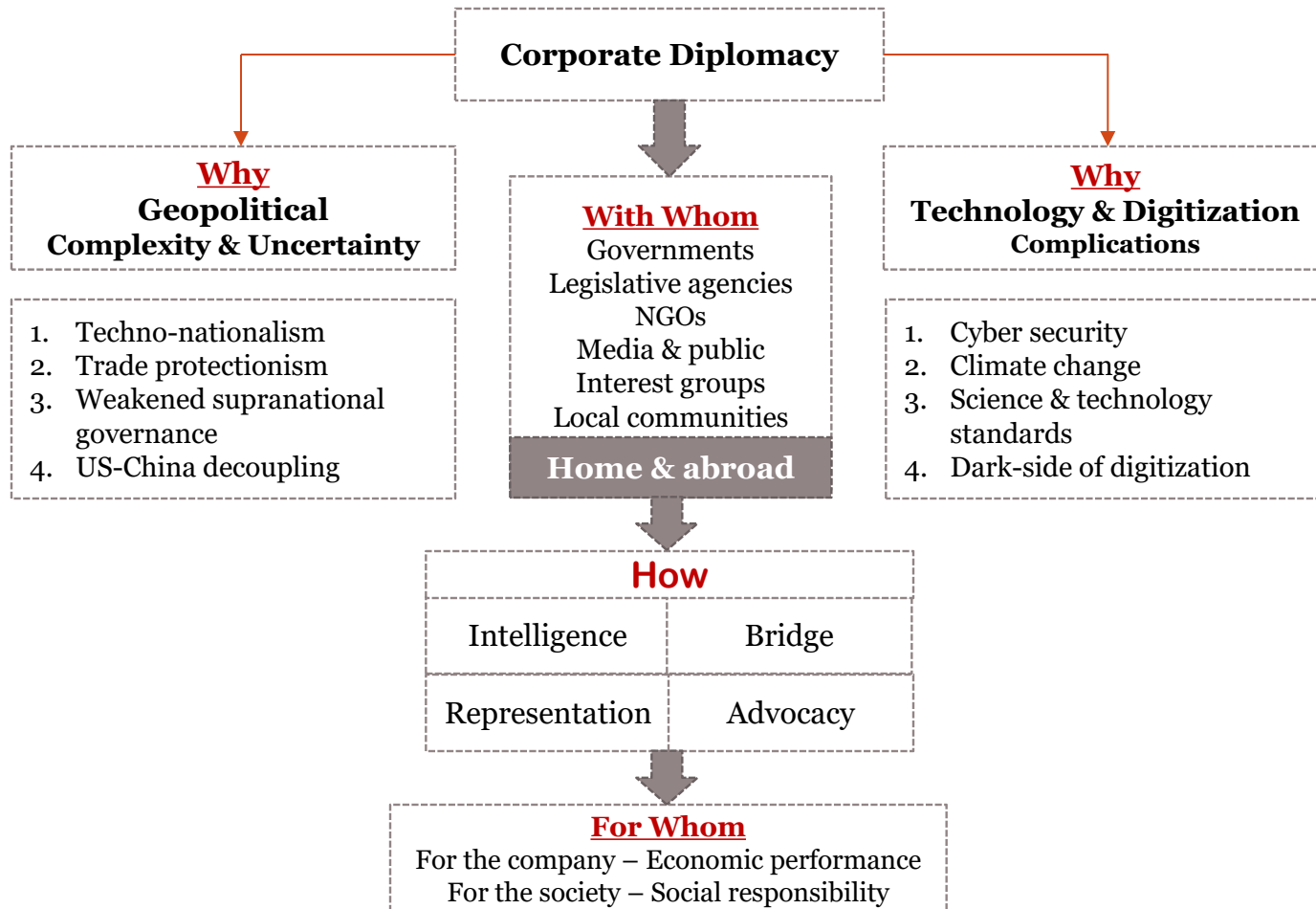
# A MULTIPOLAR GEO-STRATEGY



Figure 1: A Multipolar Geo-Strategy

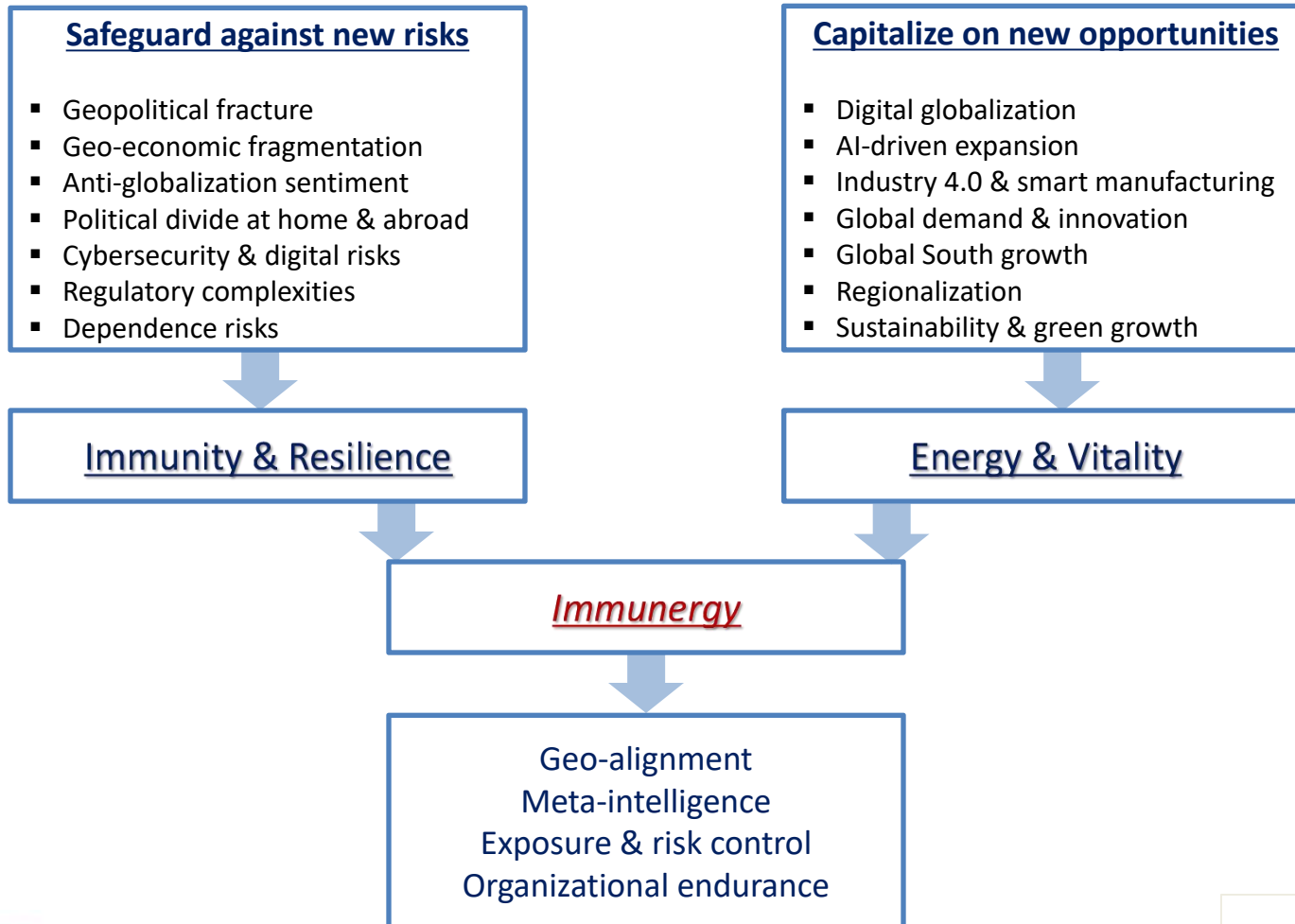


# Geo-strategies – Corporate diplomacy



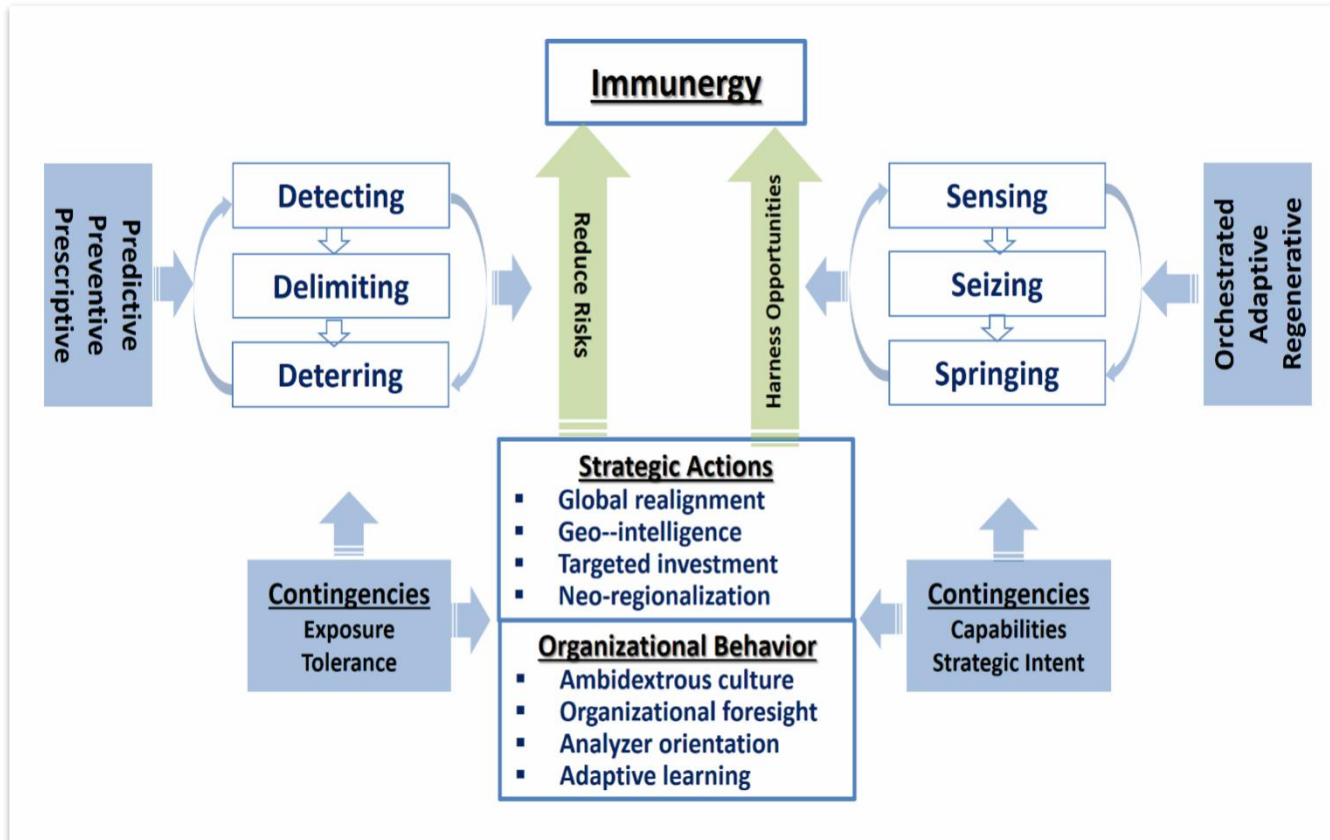


# GEO-STRATEGIES: IMMUNERGY





# GEO-STRATEGIES: IMMUNERGY



# WHAT WILL MNEs LOOK LIKE?



## Multipolar diversified MNEs:

- **D**iversified, **D**elegated yet **D**igitally connected (3D features – Loosely coupled system)
- They are no longer monolithic hierarchies, but distributed networks — diversified in footprint, delegated in authority, yet digitally integrated for cohesion
  - ❑ **Diversified**: MNEs spread operations across multiple regions, suppliers, and markets to reduce geopolitical, economic, and supply chain risks
  - ❑ **Delegated**: They grant greater autonomy to regional and local hubs, allowing faster, context-sensitive decision-making rather than rigid central control
  - ❑ **Digitally Connected**: Despite dispersion and delegation, digital platforms, data integration, and real-time intelligence knit the system together, ensuring coordination and coherence

## Strategically concentrated MNEs:

- **S**hrinking, **S**electing, and **S**olidifying (3S stages – Tightly coupled system)
- They are no longer monolithic hierarchies, but distributed networks — diversified in footprint, delegated in authority, yet digitally integrated for cohesion
  - ❑ **Shrinking**: MNEs divest in geopolitically vulnerable markets and focus instead on safer, less stable, and less fragile markets where they upscale
  - ❑ **Selecting**: Prioritizing fewer, safer, and more controllable markets while reinforcing resilience through domestic (onshoring) or allied-country operations
  - ❑ **Solidifying**: MNEs consolidate and deepen their presence in the chosen geographies. It signals moving from defensive retrenchment to a more stable, entrenched, and resilient strategic posture

# FUTURE RESEARCH DIRECTIONS



- 1. How do firms design and execute multipolar geo-strategies under persistent global disorder?**
  - How do MNEs balance diversification, delegation, and digital connectivity across rival geopolitical blocs?
  - When do multipolar configurations outperform concentration or retrenchment strategies?
  - How do firms maintain coherence while granting regional autonomy?
  
- 2. What is meta-intelligence, and how does it shape geo-strategic decision-making?**
  - How do firms integrate geopolitical, technological, market, regulatory, and cultural intelligence in practice?
  - Who exercises meta-intelligence inside the organization, and through what routines or governance structures?
  
- 3. When and how does immunergy convert geopolitical exposure into competitive advantage?**
  - How do firms simultaneously build immunity (risk buffering) and energy (growth momentum)?
  - New immunergy methods? How to make it work?
  
- 4. How continuous is recalibration in today's environment—and what triggers it?**
  - What signals prompt re-posturing, re-routing, or re-structuring?
  - How frequently can firms recalibrate without incurring organizational fatigue or strategic drift?
  - How do firms avoid overreaction amid constant disruption?
  
- 5. How does new regionalization reshape firm architecture and headquarters roles?**
  - How do firms operate across non-exclusive, overlapping regional regimes and FTAs?
  - What coordinating roles do headquarters play across regions?
  - How do firms manage contradictions between regional rules and global mandates?

# FUTURE RESEARCH DIRECTIONS



## 6. How do firms balance independence and dependence per loose coupling logic?

- How do firms design global operations according to the loose coupling logic?
- How does loose coupling help firms retain strategic independence while benefiting from interdependence?
- Under what conditions does excessive dependence erode resilience, and excessive independence destroy scale advantages?

## 7. How do firms learn and adapt geo-strategies without deep territorial embeddedness?

- How do firms use incremental international commitments (e.g., digital entry, exports) as learning options rather than full-scale investments?
- How do firms leverage third-country markets as springboards to experiment, learn, and re-route global operations?
- Under what conditions does option-based adaptive learning improve resilience and long-term performance?

## 8. How do geo-strategies differ systematically across countries and geopolitical blocs?

- How should geo-strategies work? Under what internal capabilities and external do geo-strategies become effective?
- How are geo-strategies implemented? How are geo-strategic roles and decisions allocated between headquarters and subsidiaries in terms of planning, coordination, and execution?

## 9. What does it take, organizationally and behaviorally, to survive and thrive globally today?

- What organizational structures (e.g., delegation, modularity, hubs) support resilience under fragmentation?
- How do organizational behaviors (identity, culture, nationalism, ideology, internal trust) shape survival and growth?
- What leadership capabilities, mindsets, and governance practices are required to sustain global competitiveness?

## 10. How do multi-level macro environments shape geo-strategies?

- How do global demand features and industry characteristics affect geo-strategies?
- How do global capital markets, regulatory divergence, multipolar powers, and geopolitics influence geo-strategies?

