

Editor's Comments

The agenda before IS researchers continues to be vastly greater than available human and financial resources; consequently it may seem somewhat irresponsible to suggest broadening the agenda at this stage. Nonetheless, a series of incidents over the past several months has drawn my attention to an important yet almost totally neglected area. This area concerns the international transference of competitive systems within large organizations, and the problems therewith. Two examples are illustrative.

The first relates to the time-worn story of the competitive advantages achieved by American Hospital Supply with its ASAP system. The interesting footnote to this story, however, is that it is strictly a U.S. experience which has not been transferred to major overseas operations. I recently spent a day, at the invitation of its President, at one of their overseas subsidiaries. The purpose of the day was to sensitize the managers of this subsidiary to the significant competitive advantage that has been achieved using ASAP and to encourage them to think about how those ideas might be applied in their country. One subsidiary had recently evaluated and rejected these concepts as not fitting the structure of their nation's medical institutions and distribution channels.

A second example concerns a major manufacturer of industrial equipment who has successfully used competitive systems to improve customer service in the United States. This same firm is now trying to rouse the interest of their major overseas subsidiaries in examining these concepts. Progress has been slow.

The pattern that emerges from these and other examples is that the successes gained through the use of competitive systems are the successes of the U.S. affiliates only, not the entire company. Within their own corporate structures, great difficulty has occurred in attempting to transfer these concepts beyond our borders. Why does this problem exist? Several reasons appear on the surface:

1. Multilanguage skills are often needed to successfully do this transference. Geographical distance and different organizational and institutional structures are additional inhibiting factors.
2. In the corporate environment, the notion of "not invented here" becomes even more important in the multinational, with its different cultural sensitivities, etc.
3. Major differences in culture and technology/labor cost tradeoffs exist between nations. Significant research has been done in the field of marketing which has highlighted the complexities and subtleties of transferring marketing systems across borders.

What are the barriers to academic work on this intriguing set of issues? They include:

1. A natural inclination on the part of some researchers to examine familiar issues in their own country and not venture into unfamiliar cultures and languages.
2. Budget pressures impede international research because of high travel costs.
3. Given the limited research tradition, the lack of frameworks, and the cross-disciplinary nature of work in this area this appears to be a risky path for an academic.

International IS research has tended, therefore, to focus primarily on issues such as privacy and confidentiality of cross-border data flows. Conversely, international management researchers have typically paid little attention to information technology issues. Given the relative newness of the notion of IS systems as a competitive weapon, this gap on their part is not surprising.

Recent events, however, have made this domain more relevant. Technology's fast evolution in the past four years has changed significantly the economics of transference and has realized previously unthinkable technology applications in third-world countries. For example, in Malaysia today 200 firms have electronic interorganization links with their customers and suppliers. In their capital, Kuala Lumpur, 5,000 car cellular telephones are now installed. All of this has occurred in the past 24 months.

In aggregate this is a very promising area for research today.

- The technology constraints have so substantially shifted in the past two years that considerable opportunity now exists. Past wisdom is not necessarily current common sense.
- Major strategic decisions (or nondecisions) are being made by firms without the benefit of theory or research insight. Substantial opportunity exists to improve these decisions.
- As the complexity of transference of marketing systems indicates, the answers to this area are complex and ambiguous. There are no easy solutions. Also, given the current U.S. balance of trade deficit, anything to improve the competitiveness of U.S. multinationals is a matters of urgent priority.

Finally, of course, since the field is not crowded with paradigms, a significant opportunity exists for the researcher to influence practice in this important area.