

IMD Cases in Chinese Version

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ALCATEL IN CHINA: BUSINESS AS AN ADVENTURE

Reference No.	IMD-3-1301
Teaching Note	IMD-3-1301-T (27 pages)
Author	Fischer, W; Simon, D; (The Levin Institute, SUNY); Xin, K; (CEIBS); Carmosky, J; (IMD - International Institute for Management Development)
Setting	2002 Telecommunications China 4.5 billion euros revenues in 2002
Topic	China; Alcatel; Telecommunications; Joint venture; Intellectual property
Pub. Year	2003
Length	15 page(s)
Source	FIELD
Abstract	<p>Take the world's most challenging market. Concentrate almost all your previously dispersed assets - 12 joint ventures and wholly owned businesses - into one basket. Move the management of all of your regional activities to this location. Place access to your worldwide intellectual property on the table and add \$312 million for the portion of equity in a joint venture that gets you up to 50% plus one share, and then turn the venture's structure and governance on its head in order to not only build the most technically and sales-aggressive telecom competitor in the China market, but one that also gives you access to Chinese brains and brawn in producing a global product for the global market. A recipe for revolution across the global market place, or yet another misguided investment in China's elusive dream? Alcatel, France's venerable telecom giant, is betting the former.</p>