STRATEGIC MANAGEMENT IN EMERGING ECONOMIES: A RESEARCH AGENDA

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Abstract. *The fragility of the global economy has been evidenced extensively over the past few years. The rapidity at which change can impact worldwide economies has invigorated a major concern in emerging economies. That concern is one of how to play the game when the rules of the game are changing and not completely known. The intent of this research agenda is to fuse early ideas in emerging markets with more recent research from a wide variety of scholars so as to develop a 21st century research agenda for emerging economies. This research agenda offers 20 broad research questions within the emerging economies context, with a major focus on challenges, institutional voids, and growth strategies.*

Key words: *boundaryless marketplace, cross-disciplinary, international theory*

Introduction

It has been almost three decades since Wells (1983) wrote his seminal book on third-world multinationals. Since that time, the world has changed dramatically. From natural disasters such as the devastating tsunamis in the Indian Ocean to the economic instability with the collapse of major financial institutions and the near-miss financial collapse of countries such as that experienced by Iceland in early 2009, the fragility of the global economy has been evidenced extensively over the past few years. The boundaryless marketplace and the rapidity at which change can impact worldwide economies has made it an imperative that researchers better recognize and understand the phenomena that enable the forces of globalization to wield almost instantaneous transformation, as these forces of globalization have led to an aggressive competitive arena. As proffered by Wells (2009), events in today's global economy have revitalized the research by many early international researchers (e.g., Heenan & Keegan, 1979; Kumar & McLeod, 1981; Lall, 1983) who had the foresight to look into the future and recognize that markets would emerge that could change the way we now do business in the 21st century.

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Peng, Wang, and Jiang (2008) identify two distinct questions related to international business and emerging economies: (1) What drives firm strategy in international business? and (2) What determines the success and failure of firms around the world? These authors categorize the broad range of international business and strategy research into: business groups, privatization, foreign investment strategies, domestic strategies in emerging economies, and internationalization strategies for firms based in emerging economies. Finally, the key question in emerging economies is posed as "How to play the game, when the rules of the game are changing and not completely known?" (Peng et al., 2008).

The intent here is to merge early ideas in emerging markets and that of today's marketplace with research from a wide variety of scholars so as to develop a research agenda for emerging economies. As a cross-disciplinary effort, our goal is to break away from the traditional approaches taken by the leading international business scholars and, hopefully, spark interest in a variety of disparate topics related to strategic management and emerging economies. The approach has roots in international theory but also blends considerable managerial practice into the topics identified as worthy of future and/or further investigation. This research agenda is depicted throughout this paper in the form of research questions framed within the construct variables of strategies, challenges, and institutional voids (Figure 1).

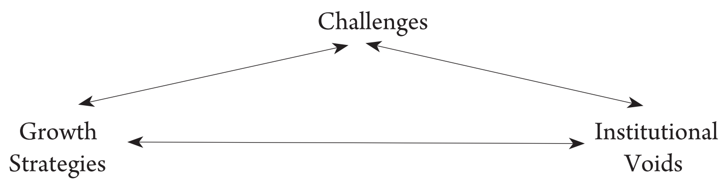

FIGURE 1. **Emerging economies research context**

1. Emerging economies as a research context

1.1. The importance of emerging economies

Coined in 1981 by the International Finance Corporation of the World Bank, an emerging economy occurs in a low-income, rapid-growth country that is using economic liberalization as the primary engine of growth (Hoskisson et al., 2000). Coussy (2009) develops a typology of emerging countries and suggests that such emerging economies display the following three characteristics: (1) latecomers to development, (2) attain very high growth rates of about 10 percent, and (3) their growth challenges the economic situation of developed countries. These emerging economies, with close to 85 percent of the world's population, are taking advantage of external market forces to facilitate internal economic change. While 2009 gross domestic product (GDP) growth projections in most developed countries was near zero, GDP in emerging market economies was expected to be at or above five percent. With 80 to 85 percent of the world population residing in these emerging economies (Graña, 2008), characteristics of the emerging market economies present both opportunities and challenges with respect to the worldwide economic growth.

While there is no common acceptance of which countries have emerging status, the so-called BRIICS (Brazil, Russia, India, Indonesia, China, and South Africa) are considered some of the largest emerging markets (OECD, 2009). The rapidity of change in global markets is depicted even within this group of countries. It has not been that long ago that this was referred to as BRIC (Brazil, Russia, India, and China), with Indonesia and South Africa only beginning their foray into emerging market status. Other commonly identified emerging markets include Mexico, Argentina, Poland, Turkey, and South Korea. All of these emerging markets are growing regional economic powerhouses and their societies are in transition as economic and political reforms are undertaken and the nations become active players in world affairs.

Interestingly, there is not a formula or metric for determining when an emerging economy has emerged. Currently, there are the traditional western advanced economies such as the United States and Europe and there is an ever-changing group of emerging economies. This leads to a set of interrelated research questions:

RQ1: When does a country on the emerging economy list join the group of countries classified as advanced economies?

RQ2: Is there a stuck-in-the-middle group of countries that are not considered advanced economies but, at the same time, are not as less-developed as some emerging economies?

RQ3: Are there any inherent political, economic, or social advantages to being a stuck-in-the middle economy?

RQ4: Is there a continuum of emerging market economies?

These questions cannot be answered until there are clear variables that delineate the distinction between the two groups.

1.2. The directional push with respect to foreign direct investment

Ramamurti (2009) and Wright et al. (2005) depict the directional push with respect to foreign direct investment (FDI) and economic development. The initial interaction between countries was within the context of FDI exchange between two advanced economies (e.g., U.S. investing in Europe and vice versa). To grow, companies in these advanced economies then began to push toward FDI into emerging economies. Depicted as the power-brokers, the large multinational companies took their advanced business practices into under-developed economies. With global economic development, however, these emerging (developing) economies began to see the opportunity to spread their strengthening marketplace prowess into less-developed economies. That is, emerging economies began growing via expansion into other emerging economies. Not surprisingly, these emerging market powerhouses then began to make their foray into the advanced economies.

According to Ramamurti (2009), FDI via emerging economies into emerging economies or emerging economies into advanced economies goes against conventional wisdom and, as such, has not received the necessary attention within international business scholarship. Building on the seminal research by Vernon (1966) in which it was assumed that international expansion was led by firms in advanced economies that were searching for new market opportunities or new sources of inputs (natural resources, knowledge, etc.), Aharoni (2009) alludes to differences in emerging economy multinational enterprises that enable some companies to bypass local success because they were "born global." One broad research question derived from the work of these authors is:

> **RQ5**: Are the theories and concepts developed by studying the push strategies of advanced economies applicable in the reverse?

There also exists an opportunity to explore the following:

> **RQ6**: Are there specific firm-level or industry-level characteristics across a wide variety of countries that suggest when a company can forego local success for international success?

Regarding the FDI directional push, the research presented by Rugman (2009) evokes the following research question:

> **RQ7**: Have emerging economy multinational enterprises relied on country-specific advantages to sustain growth and development, with little to no effort dedicated to the development of firm-specific advantages?

Williamson and Zeng (2009), however, provide information that suggests that emerging multinational enterprises might be able to parlay country-specific advantages into firm-specific advantages. This raises an interesting research question:

> **RQ8**: Are country-specific advantages first-order factors in emerging multinational enterprises, with firm-specific advantages being derivatives of these first-order factors?

While these "what" questions are intriguing in and of themselves, there are additional areas within the emerging economy marketplace that offer equally fascinating research opportunities.

2. Challenges within emerging economies

To ensure sustainable development, emerging markets are faced with international drivers that affect a company's ability to make sound business decisions. These international drivers are comprised of variables within the company's external environment, and problems arise that are often associated with a country's traditional processes and systems.

2.1. Demographic trends

Five of the most populous countries in 2008 are in the BRIICS emerging economies (populous ranking in parenthesis): China (#1), India (#2), Indonesia (#4), Brazil (#5), and Russia (#9). The forecast for 2050 keeps four of these BRIICS countries in the top ten (forecast populous ranking in parenthesis): India (#1), China (#2), Indonesia (#4), and Brazil (#7). Additionally, the population within South Africa is expected to increase 12 percent between 2008 and 2050. (All statistics from the Population Reference Bureau, 2008.) The expanding wealth accompanying these growing populations has been, and will continue to be, a powerful driver of growth in many sectors.

Yet, the demographic divide, the measure of the inequality in the population and health profiles usually assessed between rich and poor countries, is also evidenced within emerging economy countries. For example, while both India and China have pockets of prosperity, the national wealth is distributed unevenly with most of the population in the two countries living in severe poverty (Knowledge@Wharton, 2008). Additionally, more people live in urban areas than rural – a trend referred to as hyper-urbanization (Smith, 2008). With hyper-urbanization may also come a greater demographic divide between the urban and rural areas. This leads to the following question that needs to be explored within emerging market economies:

> **RQ9**: How will the demographic divide and hyper-urbanization impact business in general and a company's strategy, specifically, in emerging economies?

A critical component of any demography is culture. Cultures around the globe are expected to become more and more similar with respect to macro issues such as accountability, transparency, performance expectations, freedom accorded within society, and product preferences (Czinkota & Ronkainen, 2009). Yet, there will be cultural clashes at the micro level. As companies infiltrate various cultural economies, regardless of directional push, culture clashes can occur in a variety of areas. Smith (2008) predicts that conflicts will be less between countries than within countries, with changes in the fabric of a society possibly at risk. For example, the intermingling of various religions can have an impact on local business expectations and the local culture can actually inhibit globalization efforts. The potential for cultural clashes accompanying business shifts offers a provocative research question:

> **RQ10**: Are macro cultural issues shaped by governing bodies with rules and regulations, with micro cultural issues left to individual or sect differences? If so, are emerging economies at more or less risk for cultural genocide?

2.2. Technological developments

Technology growth is fueling the business world, and the electronic superhighway has created a death of distance (Smith, 2008). This death of distance has served to integrate emerging economies into the global marketplace at an unprecedented pace and created a technological infrastructure that could portend well for emerging marketplaces. For example, by the beginning of 2008, mobile phones had the largest volume worldwide sales in the consumer electronics sector (Virki, 2007). Mature markets were experiencing over 100 percent mobile penetration (which means that some owners had more than one phone, not that everyone owned a phone). Such market saturation bodes well for the emerging marketplace. Yet, not only has technology permeated the consumer marketplace, it has also played a critical role in the business-to-business marketplace. According to der Heyde and Sundjaja (2008), companies in the technology/communications/media sectors that were headquartered in emerging market countries grew their market capitalization by almost 40 percent, compared with 15 percent for companies headquartered in mature markets.

The adoption and use of technology in emerging markets creates an interesting opportunity to better understand critical drivers of competitive advantage. Thinking creatively about technological linkages and their implications within and across emerging and advanced economies is imperative for future marketplace success (Crittenden et al., 2010). Thus,

> **RQ11**: Will the burgeoning growth in technology adoption and use leapfrog emerging markets in a wide variety of business areas such as sales force automation, customer relationship management systems, interactive digital media, energy management, and connectivity?

2.3. Natural resources

Futurists predict that issues such as a growing global population, urbanization, energy demand, and the food and water needed to nourish over nine billion people will lead to the creation and expansion of industry sectors worldwide (Czinkota & Ronkainen, 2010). Unfortunately, the rapid growth associated with emerging economies will likely further deplete natural resources, as aspirations for economic progress and a better lifestyle increase. Emerging economies may find themselves trapped in a vicious cycle of poverty and stagnation with high natural resource exportation, often referred to as the "resource curse" (Lewis, 2004).

The concern about natural resources and sustainability is where there is a divergence among emerging economies. Czinkota and Ronkainen (2009) forecast that China will demonstrate only limited concern towards the environment. China, although a member of BRIICS, is the world's biggest emitter of carbon dioxide, with reportedly hundreds of thousands of the Chinese populous dying from pollution-related cancer annually (King, 2009). At the same time, Czinkota and Ronkainen (2009) predict that Africa could emerge as a leader in green investments and the accumulation of carbon credits. However, the authors wonder if the transfer of resources resulting from carbon trading can in and of itself be sustained. Thus, it appears that environmental issues will be the concern of the richer, advanced economies rather than that of emerging economies.

Thus, emerging economies and resource sustainability present a dilemma and lead to questions such as:

> **RQ12**: Is there a necessary trade-off between facilitating growth in emerging economies and resource sustainability?

RQ13: What underlying factors lead to differences among emerging economies with respect to the importance of resource sustainability?

RQ14: Is there a correlation between resource sustainability efforts and the status of an emerging country economy?

2.4. Political and legal unease

The globalization of markets has taken place against a backdrop of worldwide political instability. Political stability and structural reforms are critical for longevity as an open market economy. Unfortunately, many emerging economies are fraught with structural issues that do not mesh well with that of advanced economy thinking.

Experts in a 2008 Delphi Study (Czinkota & Ronkainen, 2009) identified terrorism as a critical dimension of international business in the future. Unfortunately, terrorism is a major component of the political risk of an investment (Kvint, 2009). The move toward worldwide economic integration is a combatant against terrorism. However, companies will consider the risk associated with terrorism when making country investment decisions. Therefore, a country government's role in fighting terrorism can have a huge impact on capital markets.

Corruption ranked closely behind terrorism in the 2008 Delphi Study (Czinkota & Ronkainen, 2009) and is a major barrier to entry as multinationals attempt to move goods and services across borders. One only has to peruse the Corruption Perceptions Index to see that the major emerging economies all rank number 75 or below in the annual rankings of 180 countries (Transparency International). If it is true that corruption breeds corruption (Crittenden et al., 2009) and highly corrupt countries tend to tolerate rule-bending in other areas (Crittenden et al., 2007), there are valid reasons for significant worries about bribery, corporate fraud, and cartels that can undermine fair competition. Additionally, it has been suggested that natural resource exploitation (the resource curse) fosters corruption and political instability (Schulz, 2007).

Political and legal instability appear to be hallmarks of an emerging economy. Terrorism, corruption, and the valuing of natural resources are in the global spotlight and raise significant issues with respect to transparency in emerging economies. Research has shown that these disruptive phenomena exist, and the research even identifies within which countries the disruptive phenomena are most rampant. However, it is unclear as to how much is really known about the overall impact of such political and legal concerns. As such, the following general questions are worthy of more attention:

RQ15: Will terrorism, corruption, and resource valuing be the three leading causes of slowness in the development of emerging market economies in the 21st century?

RQ16: What other political and legal issues will serve as impediments to the move from emerging to advanced economy status?

3. Growth strategies within emerging economies

3.1. Moving into emerging markets

Marketers have long addressed mode of entry into international markets as a strategic choice for firms seeking to enter new markets. The typical trajectory of risk and return begins with export (low risk, low return), licensing, contract manufacturing, joint venture, and foreign direct investment (high risk, high return). The jumping off point for business strategists has tended to be foreign direct investment, with three types: greenfield, acquisition, and joint venture. Moving beyond mode of entry, Meyer et al. (2009) examine the role of institutions (established "rules of the game") in influencing entry strategies. The importance attributed to market entry strategies by many types of business managers, combined with the findings that the "rules of the game" have an impact on entry success or failure, makes it imperative that researchers examine:

> **RQ17**: Are there particular rules of the game that influence strategies along the continuum of entry options—from export to the three types of foreign direct investment?

3.2. The local market and beyond

Companies in local emerging markets have not rested idly while multinationals have strategized as to the best option for entering their markets. The local companies in emerging markets likely understand the rules of the game better than the outsiders and have sought strategies that will best allow them to exploit this knowledge. While protecting their home turf, many of these companies are also preparing themselves for battle in the global marketplace.

Khanna and Palepeu (2006) focus on what they derive as a four-tier structure of markets: bottom (people who can afford only the least expensive products), local (consumers happy with products of local quality and local prices), glocal (consumers who want customized products of near-global standards but are not willing to pay the global standard price), and global (consumers who want products of same quality as that found in developed countries and who are willing to pay global prices). The logic within this framework is that companies capitalize on the ability to navigate their home turf by using one of three strategies: (1) exploit/capitalize on knowledge of local product markets, (2) build on familiarity with local factors of production/resource markets, and (3) fill institutional voids by facilitating the process of getting product to market.

Examining emerging market multinationals, Ghemawat and Hout (2008) derive three more strategies for how emerging market players, as well as large multinationals, can compete effectively in emerging markets. Not surprisingly, their three strategies also focus on market and production factors. One strategy they identify is within the customer base, and the authors provide examples of how firms can manipulate the market base by filling product voids (e.g., ancillary offerings, innovative extensions). With regard to the production/resource market, the suggestion is to focus on managing convergences in cost so as to take advantage of local cost structures. The third strategy is to create vertical business by reconfiguring existing value chains. Fleury and Fleury (2009) found that several Brazilian companies could be classified as global value chain climbers as they looked to activities within the value chain as areas where they could contribute.

While this particular stream of research seeks to identify strategic options for companies, whether they are advanced market companies or developing market companies, the overall thrust of the options has close similarities to the country-specific advantages delineated by Rugman (2009). Thus, the country-specific advantages have been translated into the strategy formulation process. It would be interesting to explore whether or not multinational companies that have expanded into emerging markets have a two-tier process. That is,

> **RQ18**: Do multinational firms originating in developed markets first determine mode of entry into emerging markets and then, second, decide whether or not to focus on (country-specific) market-related factors, production-related factors, and institutional/value chain voids?

4. Institutional voids – strategic options or implementation levers?

Khanna, Palepu, and Sinha (2005) offer what they refer to as the five contexts framework that helps executives identify institutional voids in any country. The five contexts are: (1) political and social system, (2) openness, (3) product markets, (4) labor markets, and (5) capital markets. Based on an analysis using this five context framework, companies can adapt their strategies, work toward changing one or more of the contexts to fit company needs, or stay out of the emerging market. While not denoted as such, these institutional voids appear to be the "how" of strategy implementation rather than the "what" of strategy formulation (Bonoma & Crittenden, 1988). Essentially, the five contexts framework suggests a circular flow between implementation and strategic options. The work by Bhattacharya and Michael (2008) corroborates the critical role played by implementation when the authors suggest that strategy execution has helped domestic enterprises keep large multinational corporations at bay.

Crittenden and Crittenden (2008) present a model of strategy implementation that is comprised of eight levers. The eight levers are divided into structural variables and managerial skills.

Structural variables are:

- *Actions* – Who, what, and when of cross-functional integration and company collaboration
- *Programs* – Instilling organizational learning and continuous improvement practices
- *Systems* – Installing strategic support systems
- *Policies* – Establishing strategy supportive policies

Managerial skills are:

- *Interacting* – The exercising of strategic leadership
- *Allocating* – Understanding when and where to allocate resources
- *Monitoring* – Tying rewards to achievement
- *Organizing* – The strategic shaping of corporate culture

While not examined specifically within the context of emerging economies, each of these levers appears to constitute a critical component of success in emerging markets. The intent here is not to examine each of the levers in depth. Rather, the goal is to match critical lever areas with at least one topical area examined currently within emerging economies so as to provide a starting point for a comprehensive examination in future research.

With respect to the structural levers, the *Actions* lever focuses upon the necessary collaboration across functions, across partner companies, and across components of the value-chain. As noted previously, Khanna and Palepeu (2006) and Ghemawat and Hout (2008) identify the value-chain as one of the strategic options for emerging market companies. Crittenden and Woodside (2006) examine the implemented decisions involving the marketing and production functional areas in a Latin American company, and Koulopoulos (2004) discusses "smartsourcing" in relation to partner company collaborations. Innovation is at the heart of the *Programs* lever, and Wells (2009) highlights the importance of innovation in today's global marketplace. Sull, Ruelas-Gossi, and Escobari (2004) suggest that there is a tendency to envision developed-world companies (e.g., USA's IBM, Japan's Sony, South Korea's Samsung, Finland's Nokia, or Switzerland's Novartis) when thinking about innovation. While citing challenges to innovating in an emerging economy, Sull, Ruelas-Gossi, and Escobari (2004) identify three innovation strategies applicable to both advanced and emerging economies: (1) understanding the customer, (2) innovating around, rather than through, technology, and (3) scouring the globe for good ideas. As such, a challenge and opportunity in emerging markets is that of information technology, which is also a key component of the *Systems* lever. Although information has become a commodity in today's boundaryless marketplace, companies worldwide have to learn to maximize the use of their information technology by leveraging its technical capabilities (Hugos, 2003). As the final structural variable, the *Policies* lever is important in a marketplace in which understanding the "rules of the game" is critical to success (Peng et al., 2008). Wing (2004) links innovation and the protection of intellectual property rights in the global market environment via the policies lever.

Within the context of the managerial levers, the exercising of strategic leadership is at the heart of the *Interacting* lever. While leaders in and of themselves are critical to success in developing new markets (Khanna & Palepu, 2006), Wells (2009) suggests that leadership via government ownership is of potential interest. Additionally, international business researchers have called for more research with respect to corporate governance in emerging economies (Peng et al., 2008). The *Allocating* lever includes physical, human, and organizational capital. What appears to be of critical importance with respect to this lever in emerging economies is human capital. Wells (2009) highlights the importance of human capital in emerging economies, which goes hand-in-hand with O'Connor's (1998, p. 528) comment that "the distinctive feature of the emerging economy is an increasing emphasis on human capital—the knowledge of employees—rather than physical capital." This encompasses the call for understanding how to attract and retain talented employees in developing economies (Bhattacharya & Michael, 2008; Ready, Hill, & Conger, 2008). Interestingly, the *Monitoring* lever has not appeared prominently in the emerging markets research. Yet, the link between rewards and achievement is critical to human resources (e.g., human capital) and, in particular, the demographic divide. It is likely that the *Organizing* lever overshadows much of the implementation process given its relationship to culture. It would seem that operational success is tied closely to firm-specific internal culture, which is influenced strongly by local cultures (Smith, 2008).

Building a capable organization is critical to success in emerging market economies. With respect to the eight levers framework, examination within the context of emerging markets would be a fruitful area of research so as to comprehend how the levers can be used to better understand the development of capable organizations within emerging economies. Thus,

> **RQ19**: What role do the eight levers of strategy implementation play in overcoming institutional voids in emerging markets?

While the importance of excellence in implementation has been alluded to in a variety of ways in the emerging economies literature, there does not appear to be concerted effort to better appreciate this critical phenomenon. The overall lack of research as related to the importance of the inherent link between strategy formulation and strategy implementation in emerging economies suggests a very broad research question:

> **RQ20**: What constructs comprise strategy formulation and what constructs comprise strategy implementation in emerging economies?

5. The research agenda

There is no doubt that emerging economies are a dominant component of the 21st century global marketplace. As these emerging economies developed prominence over the past few decades, international business researchers have begun to understand the new marketplaces within various theoretical frameworks. The research agenda presented here expands this theoretical work by suggesting research areas within the domains oft studied by traditional functional strategy researchers. The 20 research questions identified are summarized in Table 1 and lay the groundwork for future strategic management research in emerging economies.

Emerging markets are no longer a new phenomenon, yet it is unclear as to the timeline of an emerging economy company. This is where the research agenda presented here begins to take shape. Addressing the metric-related questions within the context

TABLE 1. **Research questions**

1. When does a country on the emerging economy list join the group of countries classified as advanced economies?
2. Is there a stuck-in-the-middle group of countries that are not considered advanced economies but, at the same time, are not as less-developed as some emerging economies?
3. Are there any inherent political, economic, or social advantages to being a stuck-in-the-middle economy?
4. Is there a continuum of emerging market economies?
5. Are the theories and concepts developed by studying the push strategies of advanced economies applicable in the reverse?
6. Are there specific firm-level or industry-level characteristics across a wide variety of countries that suggest when a company can forego local success for international success?
7. Have emerging economy multinational enterprises relied on country-specific advantages to sustain growth and development, with little to no effort dedicated to the development of firm-specific advantages?
8. Are country-specific advantages first-order factors in emerging multinational enterprises, with firm-specific advantages being derivatives of these first-order factors?
9. How will the demographic divide and hyper-urbanization impact business in general and a company's strategy, specifically, in emerging economies?
10. Are macro cultural issues shaped by governing bodies with rules and regulations, with micro cultural issues left to individual or sect differences? If so, are emerging economies at more or less risk for cultural genocide?
11. Will the burgeoning growth in technology adoption and use leapfrog emerging markets in a wide variety of business areas such as sales force automation, customer relationship management systems, interactive digital media, energy management, and connectivity?
12. Is there a necessary trade-off between facilitating growth in emerging economies and sustainability?
13. What underlying factors lead to differences among emerging economies with respect to the importance of sustainability?
14. Is there a correlation between sustainability efforts and the status of an emerging country economy?
15. Will terrorism and corruption be the two leading causes of slowness in the development of emerging market economies in the 21st century?
16. What other political and legal issues will serve as impediments to the move from emerging to advanced economy status?
17. Are there particular rules of the game that influence strategies along the continuum of entry options—from export to the three types of foreign direct investment?
18. Do multinational firms originating in developed markets first determine mode of entry into emerging markets and then, second, decide whether or not to focus on (country-specific) market-related factors, production-related factors, and institutional/value chain voids?
19. What role do the eight levers of strategy implementation play in overcoming institutional voids in emerging markets?
20. What constructs comprise strategy formulation and what constructs comprise strategy implementation in emerging economies?

of emerging markets will hopefully provide a vision of how world markets will evolve in the years ahead. There are trends within the external environment of the global marketplace that are likely to have significant impact on the business transactions within an emerging economy. Of particular importance are predictions about demography, technology, natural resources, and political/legal issues. Finally, strategies within emerging economies work within the cycle of formulation and implementation. Strategies formulated and studied to date have focused largely within the area of foreign direct investment. As research efforts become more extensive, there is a need to examine strategic efforts in the lower risk-lower return mechanisms so as to encompass a wider array of options and to better understand more functionally-specific components of strategic options in emerging economies. From a strategy implementation perspective, this research agenda highlights a gaping hole in the role and impact of strategy implementation mechanisms in fostering the development of ongoing strategies that address institutional voids in emerging economies.

We recognize that this is a very broad research agenda and that pursuit of each of the topics and research questions can invoke a wide range of research methodologies—from qualitative methods to survey data to econometric modeling. Much is to be gained, regardless of method used to capture the information. As with all management research, the researcher has to select the method that will allow best for capturing the desired phenomena and that will, if not then but later, tolerate greater generalization. The one thing that we do know is that there is a wealth of knowledge that still needs to be acquired and accumulated with respect to emerging economies. The imprint made by researchers over the past 30 years has enabled a research agenda that intertwines concepts and theories both within and outside traditional international business and strategic management research.

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