



Geography and Strategy (Advances in Strategic Management, Vol. 20)

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Distance is not dead....yet

Question: What do the following have in common: (1) banking in Miami¹, (2) pairing food and wine², (3) movies³, and (4) business success⁴ in general?

Answer: According to recent internet news sites (endnoted), they all depend on the same things long considered the three most important factors in real estate; namely *location, location, and location*.

On the one hand it seems that place and space—or geography—are vital variables for a range of commercial activities. On the other hand contemporary technology-enabled information and communication capability has led some authors to write about the “death of distance” (e.g., Cairncross, 1997; Capling & Nossal, 2001; Morgan, 2004; Wilson, 2001), implying that geography is no longer a key strategic variable. The “Editors’ introduction” to *Geography and Strategy* (Sorenson & Baum) begins by echoing this contradiction. They then present the two aims of this volume: First to highlight the spatial dimension among Strategy researchers. And to galvanize researchers from the various disciplines—like management, geography, economics, and sociology. The opening chapter also contains a useful table summarizing the 13 contributed papers.

The remainder of the book is divided into three parts, each with four or five articles. I suspect that Part I, “Strategic management of place,” will be the most interesting to those *JIBS* readers more interested in managerial processes. Here we read of knowledge spillovers, knowledge and entrepreneurial activity (Audretsch); location-specific differences for pharmaceutical labs in North America and Europe (Furman); population dynamics and founding of U.S. television stations (Sorensen & Sorenson); and cognitive foundations of competition in New York City hotels (Baum & Lant).

Most of the articles in Part II, “Strategic management of space,” employ research approaches less common to *JIBS* such as economic and/or mathematical modeling. Among the empirical work we see how interlocking loan and director networks of Japanese manufacturing affiliates in the E.U. relate to clustering and diffusion of locations (Bastos & Greve); and data from six U.S. supermarket chains show how national grocery brands performs differently across regions of the country (Bronnenberg & Albuquerque).

Part III, “Combined perspectives,” will resonate most with readers looking for empirical research. More learning and diffusion of TQM is found within (rather than among) various divisions of a multinational bank (Strang). This is one of the relatively few findings when geography seems to matter less. The next two studies both use domestic data from U.S. firms: Pharmaceutical laboratories

benefit from within-country dispersal among scientific nodes as well as from international spillover effects (Chacar & Lieberman) and Silicon Valley law firms benefit from various regional effects of being close to significant sources of clients and qualified lawyers (Jaffee). The final paper in the volume focuses at the country level, and indicates that levels of national rivalry in the Belgian, Italian and Japanese motorcycle producers were inversely related to longer term survival of the domestic industry.

So, it seems that location matters. In any case this was an assumption made explicit in the volume's call for papers⁵ albeit amid observation that the world is shrinking and distance is dying. Agglomeration of laboratories, banks, or hotels may have advantages or disadvantages, just as locations may have external economies or diseconomies. Continued research is thus warranted so as better to understand management contingencies in these contexts. Krugman (1994) argues that international integration is an increasing but not a new phenomenon; and if we see only the domestic-global binary states we miss the myriad shades of regional and local colors in-between (Buckley & Ghauri, 2004; Mattli, 1999; Robertson, 1994). We thus need to comprehend the world of increasingly permeable borders, greater speed, information overload, and global thinking in finer terms than allowed by prior metrics like miles/kilometers, SIC codes, and measures of distinct national cultures.

Overall, this is a fascinating collection of good quality papers. This high standard is very much in keeping with the *Advances in Strategic Management* (AiSM) series, which has a well-earned reputation of publishing high-quality, peer-reviewed work, positioning itself alongside elite journals in the Management field. The stated aim of AiSM⁶ is "communicating innovative, new research that advances theory and practice in Strategic Management" and this volume clearly succeeds in bringing several approaches, ideas, and techniques within the purview of strategy researchers. Returning to the espoused two aims of this volume mentioned above, the editors have certainly succeeded: Strategy researchers have a reference work that covers a range of spatial issues; and the cross-disciplinary aspects of the effort have obviously been successful. *JIBS* readers may wonder what much of the fuss is about given that the IB field anyway presupposes a geographic dimension and is traditionally multidisciplinary.

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Endnotes:

[1] http://www.contracostatimes.com/mld/miamiherald/business/13675694.htm?source=rss&channel=miamiherald_business

[2] http://www.ohio.com/mld/ohio/living/13706309.htm?source=rss&channel=ohio_living

[3] <http://www.chicagotribune.com/entertainment/movies/chi-0601190374jan20,1,7908041.story>

[4] http://www.kfyrtv.com/News_Stories.asp?news=831

[5] http://www.rotman.utoronto.ca/~baum/v20_toc.html

[6] http://www.rotman.utoronto.ca/%7Ebaum/asm_index.html

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