Strategic issues rank among the most popular topics in the area of management research on Central and Eastern Europe (CEE). Numerous contributions have been written since the sudden political and economic opening in 1989 dealing with the choice of the right entry strategy. In particular the significant differences in market conditions compared to Western Europe and the U.S.A. and the fast changing national environments in the course of the transition process made the strategic positioning for Western firms planning to expand into the reforming countries of the region to a central issue. But surprisingly, despite the huge demand more comprehensive works focusing on strategy formation for this region from a managerial perspective are rare.

With their book “Strategies for Central & Eastern Europe” Andrzej K. Kozminski and George S. Yip attempt to fill this gap. The book offers a framework for the strategic analysis and evaluation of 11 selected country markets of CEE and the whole region. Russia is not included. The book is the result of a three years effort by a team of 16 contributors. It consists of three main parts. In an introductory chapter, Kozminski and Yip present their basic approach and the methodology, which is then used to analyze the country markets and the whole CEE region. The authors adopt the perspective of managers of Western MNCs who are responsible for the development of strategies for CEE as a region and for the individual countries. Given the importance of MNCs as agents of change in these countries underscores the importance of this approach. Yip’s well-known model of industry globalization drivers serves as central methodology and also provides the structure for the book. Four sets of industry globalization drivers are presented which help to diagnose the current and potential situation of each country’s economy: market, cost, government, and competitive globalization drivers. The results of the analysis are the basis for the formulation of global/regional strategies (or strategy levers) and for the design of the organizational structure and management processes.

Each of the following nine chapters gives a short description of one of the chosen CEE countries or areas (Baltic States). These brief but informative accounts are written by academics or business practitioners from the respective countries. The chapters differ from a typical country report insofar as except for a short overview at the beginning the descriptions follow the globalization driver framework. The contributors make a subjective judgement on the specific profile for their countries with regard to the globalization drivers, global strategy levers and global organization and management. In the final chapter, Kozminski and Yip compare the results of the economic analyses at the country level. They provide summary rankings based on the judgement of the involved researchers for each economy in terms of globalization driver, global strategic levers, and organization and management approaches.

The strength of the book lies in the more integrated view of management decisions about this region. The view through the lens of global strategy forces one to consider the interdependencies with other markets (vis-a-vis a stand-alone assessment of country markets). The identification of commonalities such as similar customer needs or the presence of internationally operating retailers favor, of course, the development of regional strategies or the transfer of Western marketing strategies. To analyze major decisions along the global – regional – local continuum is a powerful analytic tool, in particular, when you apply it to transitional economies, which are characterized by huge regional and segment-specific disparities in income, resources, and development.

However, the book shows a strong tendency towards globalization -which is not surprising given the underlying concept. Although I agree with the authors that the globalization logic helps to explain a lot of management and marketing phenomena in the region better than the traditional international business approach, I miss the stronger consideration of regional characteristics.
such as the transition process, which is shaping local business decisions in a fundamental way. There is still a huge difference in the development of economies and markets that have to be addressed. Although highlighted in the introductory chapter as one of the methodological pillars, Kozminski’s concept on the logic of transition is unfortunately only weakly reflected throughout the book. The progress of a CEE country in the transition process is at least as important as its role in the whole region for choosing the right form of market participation.

This leads me back again to the “globalization drivers,” which serve as the methodological framework for the book. I see a certain misfit between the framework and what the authors pretend to measure. Can a concept that was originally developed to represent industry conditions and to determine the potential and need for competing with a global strategy be so easily transferred to measure a country’s attractiveness and strategic position? It is quite common among international business scholars to measure the degree of globalization of industries, but I have never heard of it in relation to countries. To measure the adequacy of structural preconditions for pursuing a global strategy in a country is of course necessary but not sufficient. A country market evaluation also has to include an assessment of the market and sales potential, demand patterns, economic conditions, political stability, and involved business risks to determine the adequate form of market participation and intensity of activity and commitment. Unexpected economic and political crises pose a realistic threat to business performance in the transitional economies of CEE and strategies have to provide flexibility for these unwelcome events. An optimization of strategies for CEE in terms of regional and global integration alone tends a bit too much towards the other extreme. What the authors rightly criticize on the selection models based on stand-alone attractiveness of countries, namely the lack of an integrated view, can partly now be turned against them with reversed premises.

Nevertheless, the book is an important contribution to strategy development in CEE. It is characterized by a consequent application of a global strategy logic, which leads to an enriched analysis of doing business in CEE. In contrast to classic country selection models, the importance of a comprehensive and integrated view of the region is stressed. This applies especially to MNCs, which have already a strong presence in markets of the region and are now trying to utilize synergies by better integrating and coordinating their activities. When planning to enter the region or for companies in an early stage of expansion into CEE I would suggest using the presented framework as a supplement to a classic country market analysis.