

Case study assignment: JOYSON GROUP

1. Objectives of the case work

- to describe the emerging market firm motivation to undertake a cross-border acquisition as part of a growth strategy;
- to understand the competitive advantages of EMNEs when managing developed-market firms;
- to explain the rationale behind the chosen foreign market entry mode(s);
- to assess the viability of the chosen post-acquisition integration approach;
- to understand the role of the leadership style in merger and acquisition deals.

2. Assignment questions

1. Identify the key motives for Joyson's internationalization via acquisition of Preh;
2. Examine the competitive positions of Joyson and Preh in the automotive components industry prior to the acquisition;
3. Analyze the selection of foreign market entry mode(s) by Joyson;
4. Assess the post-acquisition integration approach chosen by Joyson and propose your (alternative) integration strategy;
5. Analyze the role of leadership style in the acquisition of Preh.

3. Analysis

Begin your case study analysis with examination of the key motives of Joyson's internationalization via acquisition of Preh. Why did Joyson want to enter Germany? Utilize the article by Alvaro Cuervo-Cazurra, Alicia Rodriguez, & C. Annique Un (2021) "Internationalization of Emerging-Markets Multinationals: The Role of the Underdevelopment of the Home Country" in your analysis.

Continue your work with examination of the automotive components industry in China and globally – what are the key supply- and demand-side trends in the industry, who are the leading players, what are the categories of products offered by the key players. To understand the background of the automotive components industry you could use Michael E. Porter's "Five Forces Model". After that, analyze the relative competitive positions of Joyson and Preh prior to the acquisition. How did two companies complement each other?

Then, evaluate the choice of the foreign market entry mode(s) performed by Joyson. Why did Joyson follow a two-step process to expand internationally? Why an acquisition was pursued instead of being satisfied with a joint venture with Preh? Following this analysis, assess the post-acquisition integration approach chosen by Joyson and propose your (alternative) integration strategy.

Finally, evaluate the role of the leadership style of Jeff Wang in the acquisition of Preh. How was the leadership style reflected in the post-acquisition sociocultural integration?

To facilitate your analysis, you could use the following reading material:

Alvaro Cuervo-Cazurra, Alicia Rodriguez, & C. Annique Un (2021) Internationalization of Emerging-Markets Multinationals: The Role of the Underdevelopment of the Home Country, in K. Mellahi, K. Meyer, R. Narula, I. Surdu, and A. Verbeke (Ed.) *The Oxford Handbook of International Business Strategy*. Oxford University press. (in MyCourses)

Luo, Yadong, and Rosalie L. Tung (2018) A general theory of springboard MNEs. *Journal of International Business Studies*, 49(2): 129-152.

Liu, Yipeng, & Michael Woywode (2012) Chinese M&A in Germany, in I. Alon, M. Fetscherin, and P. Gugler (Ed.) *Chinese International Investments*, Palgrave Macmillan, London, UK.

Rui, Huaichuan, and George Yip (2008) Foreign Acquisitions by Chinese Firms: A strategic intent perspective. *Journal of World Business*, 43(2): 213-226.

Torres de Oliveira, Rui, Sreevas Sahasranamam, Sandra Figueira, and Justin Paul (2020) Upgrading without formal integration in M&A: The role of social integration. *Global Strategy Journal*, 10(3): 619-652.

Williamson, Peter James, and Anand P. Raman (2013) Cross-border M&A and competitive advantage of Chinese EMNEs, in P.J. Williamson, R. Ramamurti, A. Fleury, and M.T. Fleury (Ed.) *The Competitive Advantage of Emerging Market Multinationals*. Cambridge University Press, Cambridge, UK.

4. Group case study report

Your group case study report needs to consist of three parts: (1) Introduction, (2) Analysis, and (3) Solution. In the introduction, describe the case in brief, provide a description of broader economic and industrial context the case takes place in, and outline the objectives and structure of your analysis. In the analysis, follow the steps guided by the *Assignment Questions* provided in section 2. In the solution chapter, provide managerial recommendations and conclusions driven by your in-depth case analysis.

The length of the report should not exceed 5 pages (font 12, line spacing 1,0, reference style APA). The report is due by midnight on 26 November 2023 (Sunday) and should be submitted only once by any of the group representatives through MyCourses.

5. Group case study presentation

The results of your group case study analysis are going to be presented in the class on 30 November 2023 (Thursday). You will have 20 minutes to present your work. The structure of the presentation could be the following: (1) Summary of the case, (2) Analysis, (3) Solution.

The discussion of the case is going to be facilitated by a group of opponents, i.e. another case study team assigned by the course instructors.