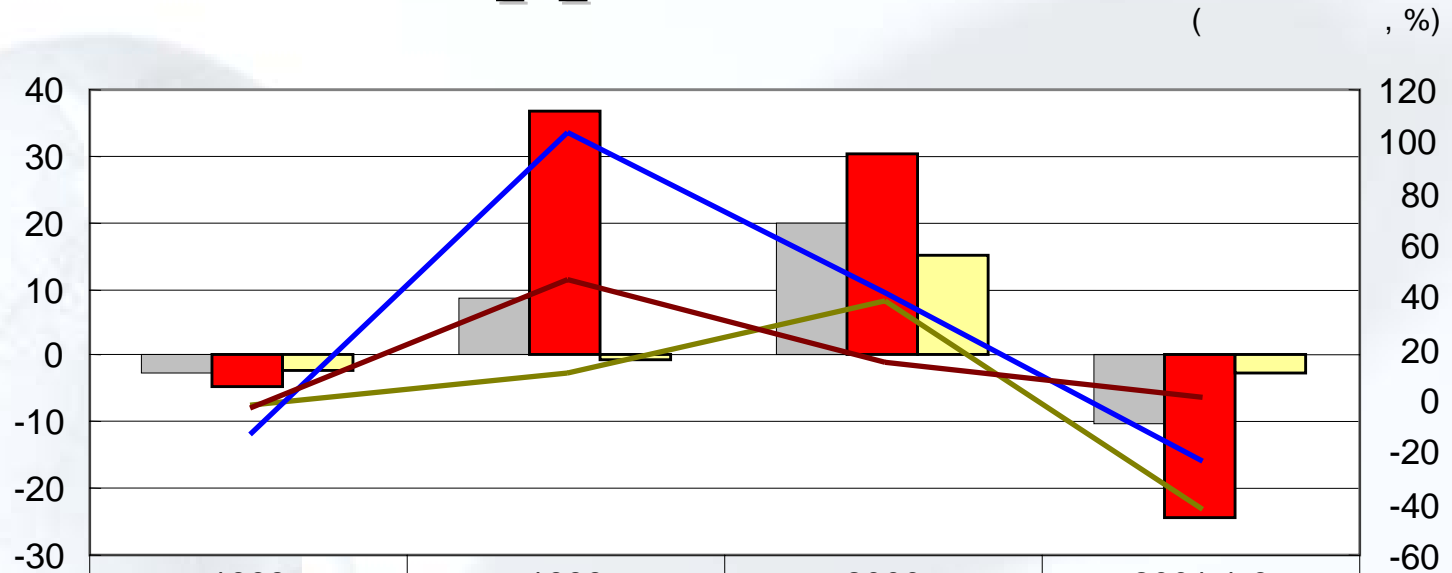


Mega Competition

&

MONITOR Consulting

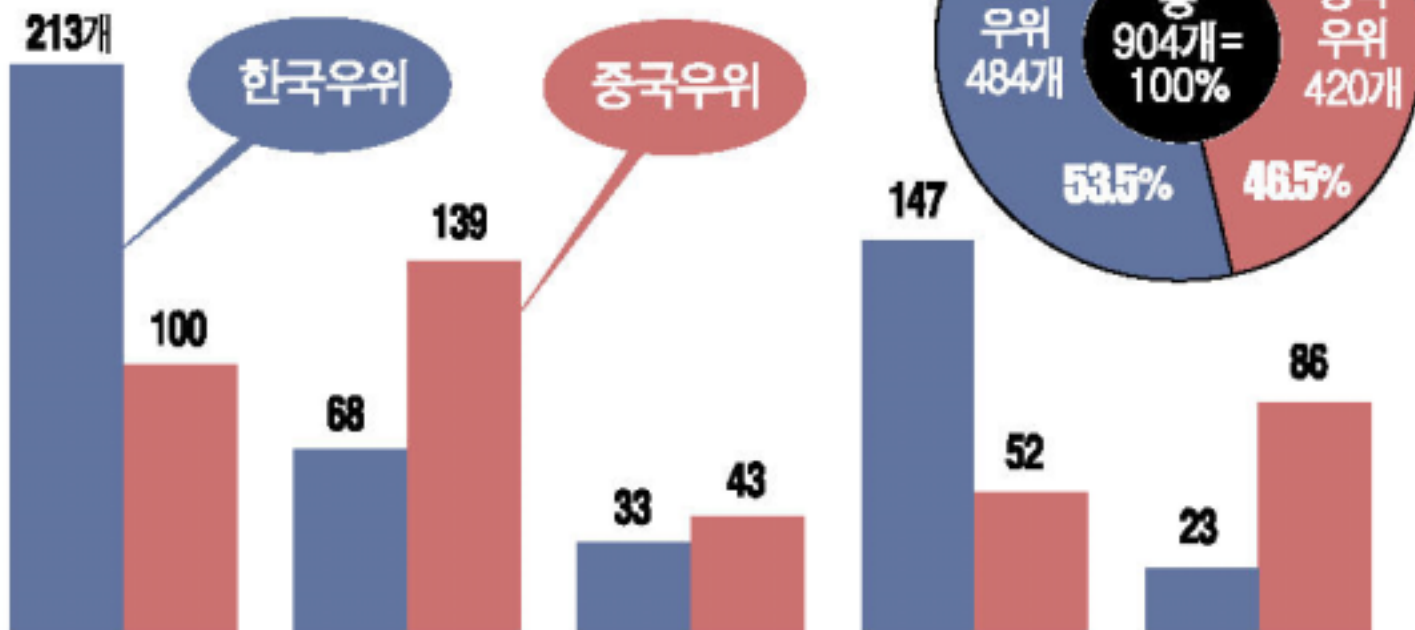
IT



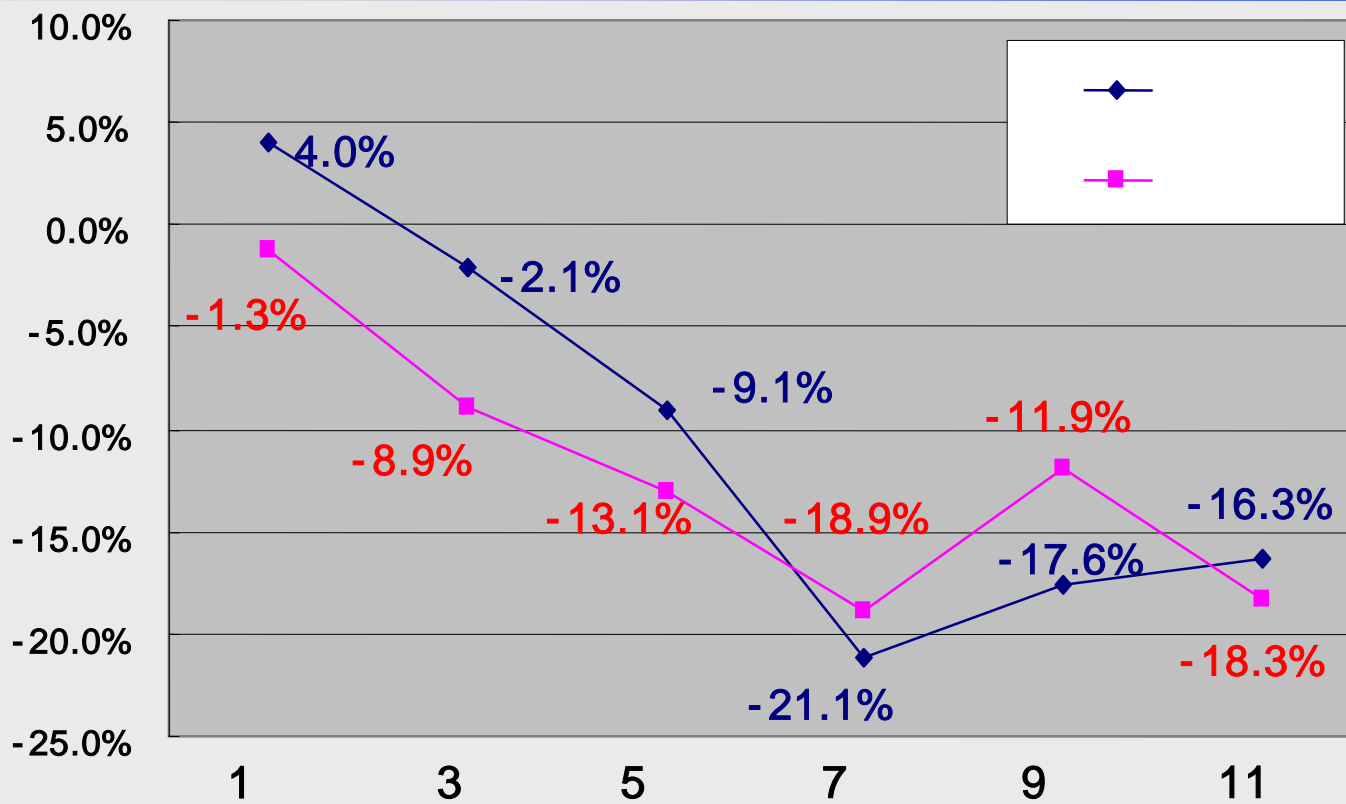
	1998	1999	2000	2001.1-9
	-2.8	8.6	19.9	-10.1
IT	-4.6	36.8	30.2	-24.5
IT	-2.2	-0.8	15.2	-2.7
	-2.4	10.8	38.0	-41.9
	-13.9	103.1	40.9	-24.2
	-3.1	46.6	14.1	1.3

:

※조사는 한국의 연간 수출이 1000만달러 이상인 904개 품목을 대상으로
올 1~7월의 한국과 중국의 수출액을 비교한 결과임.
절대우위란 수출액이 상대방의 5배를 초과하는 경우를 말함



2001





Mega Competition

Quiz

Q: Who would be the victor, if you were asked
30 years ago?

☐ General Motors vs. Toyota

☐ CBS vs. CNN

☐ Pan Am vs. British Airways

☐ RCA vs. Sony

☐ Wal-Mart vs. K-Mart

I.

1.

[Global 100]

	1985	2000
1	Royal Dutch/Shell Group	General Motors
2	British Petroleum	Wal-mart stores
3	ENI	Exxon Mobil
4	Toyota Motor	Ford Motor
5	IRI	DaimlerChrysler
6	Unilever	Mitsui
7	Elf-Aquitaine	Mitsubishi
8	Matsushita Electric Industrial	Toyota Motor
9	Pemex	General Electric
10	Hitachi	Itochu
•	⋮	⋮
•	38 Samsung Group	105 SK
•	39 Hyundai Group	106 Hyundai

:

500



I.

1.

[Global 100]

(1985 ~ 2000)

**Displaced from List
or Missing by M&A**

[69 Company]

IRI

Permex

Bayer

⋮

Newcomers to List

[69 Company]

AT&T

Hewlett-Packard

Lucent Technologies

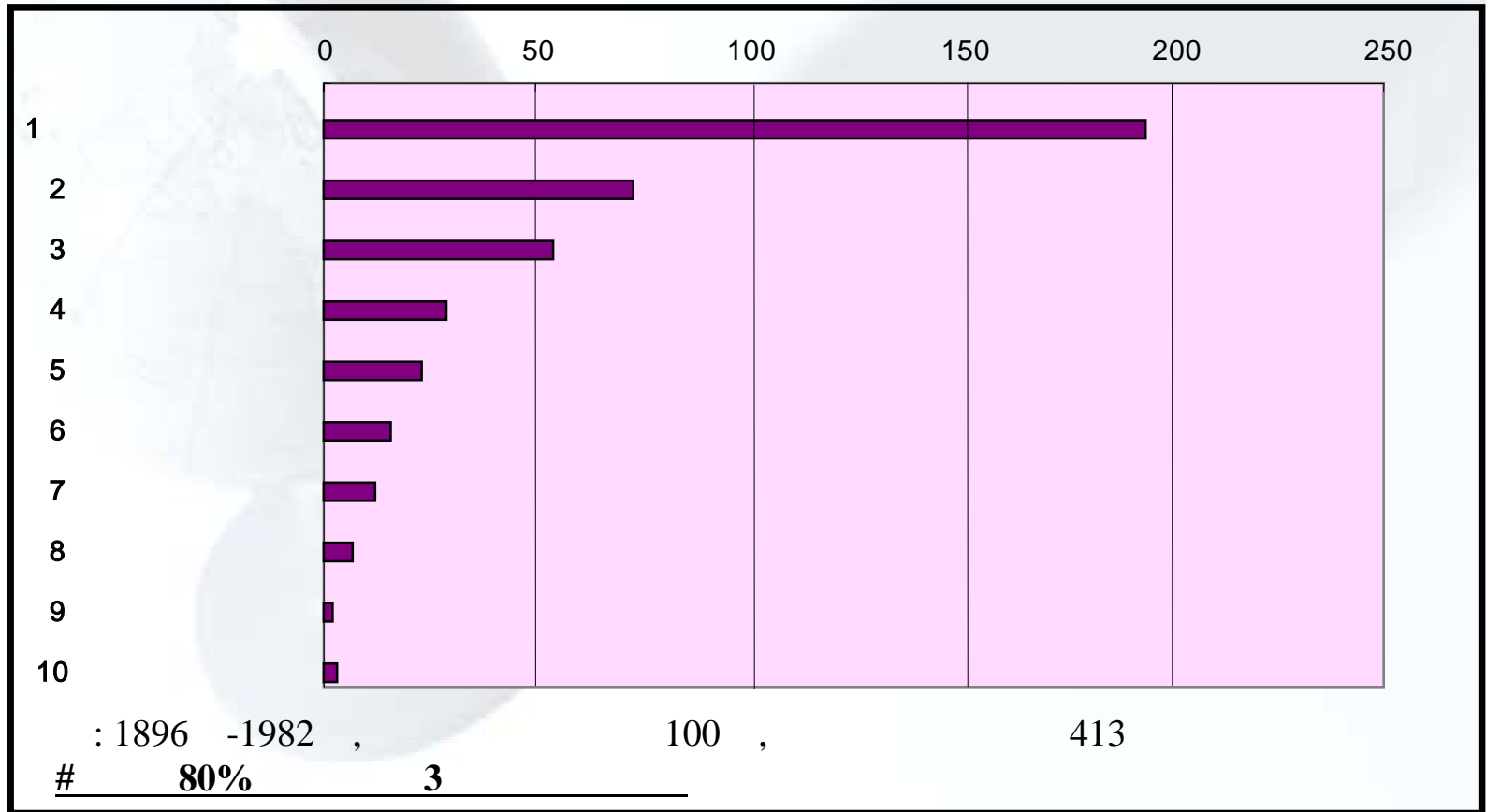
⋮

:

500

I.

2.



I.

3.

10

()

	1960	1972	1980	1992	1999	2001
1						
2		LG	LG			
3					LG	
4				LG	SK	LG
5	LG			SK		SK
6						
7						
8						
9						
10			SK			

Quiz :

(20)

(:)

	1965	2000
1	24	173,000
2	20	166,632
3	18	155,958
4	18	110,935
5	17	LG 93,206
6	17	93,201
7	16	SK 90,576
8	16	LG 86,995
9	16	SK 77,343
10	16	59,533
11	16	57,484
12	15	55,794
13	13	S - Oil 42,594
14	13	가 41,721
15	13	35,652
16	12	35,270
17	12	29,251
18	12	SK 29,156
19	11	28,947
20	10	27,248

Quiz

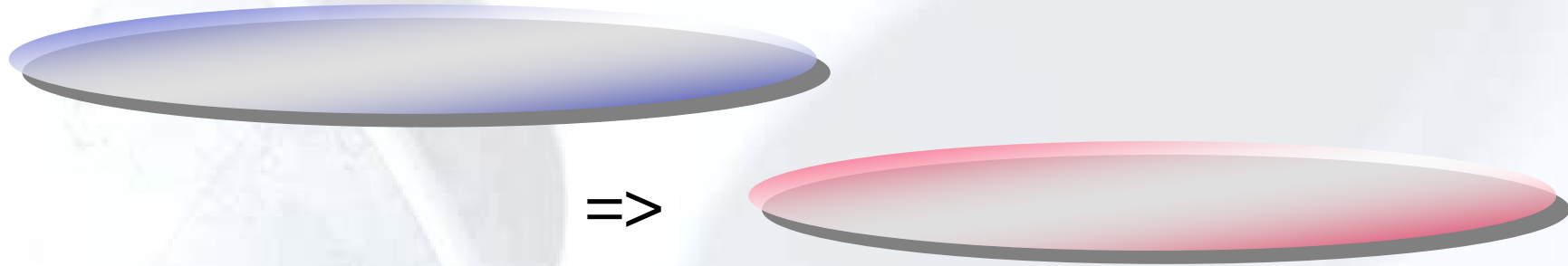
Q:

?

- ☐ ABB
- ☐ Exxon Mobil
- ☐ Daimler Chrysler
- ☐ Vodafone AirTouch
- ☐ AOL Time Warner
- ☐ GlaxoSmithKline
- ☐ Pricewaterhouse Coopers(PWC)

II. Mega Competition

1. Mega Competition



- Major
- ()
- (, ,)
-

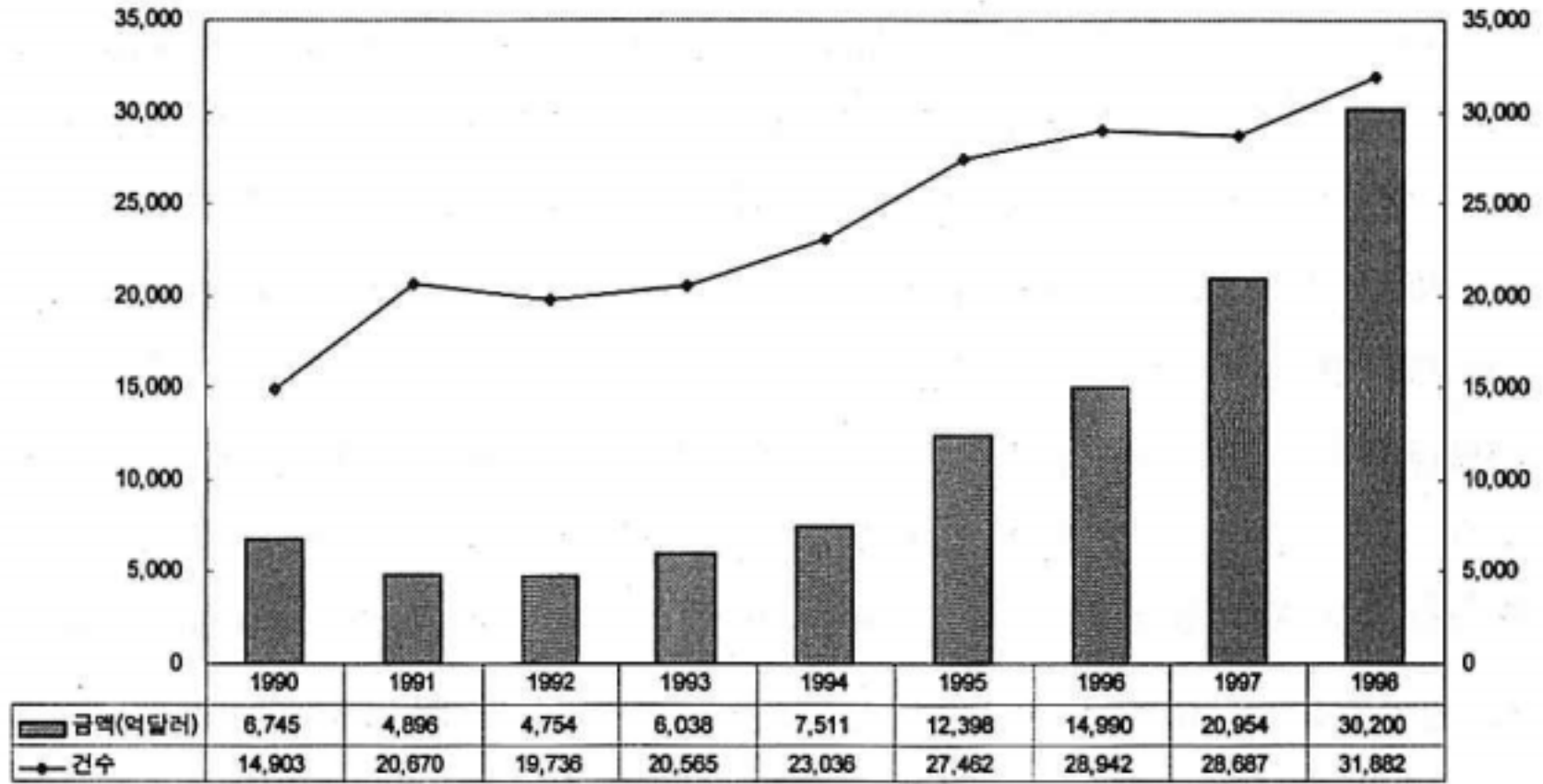
II. Mega Competition

2. M&A () (:)

	(+)		
1	Vodafone() + Mannesmann AG()		2028
2	AOL + Time Warner		1548
3	Exxon + Mobil	•	864
4	Travelers Group + Citicorp		725
5	Bell Atlantic + GTE		713
6	Olivetti() + Telecom Italia()		660
7	Vodafone() + Air Touch		659
8	SBC Communication + Ameritech		620
9	Nations Bank + Bank America		613
10	Comcast + MediaOne		583
11	BP() + Amoco	•	550
12	AT&T + TCI		480
13	France Telecom() + Orange PLC()		460
14	Hoechst() + Rhone Poulenc()		415
15	Daimler Benz() + Chrysler		405

II. Mega Competition

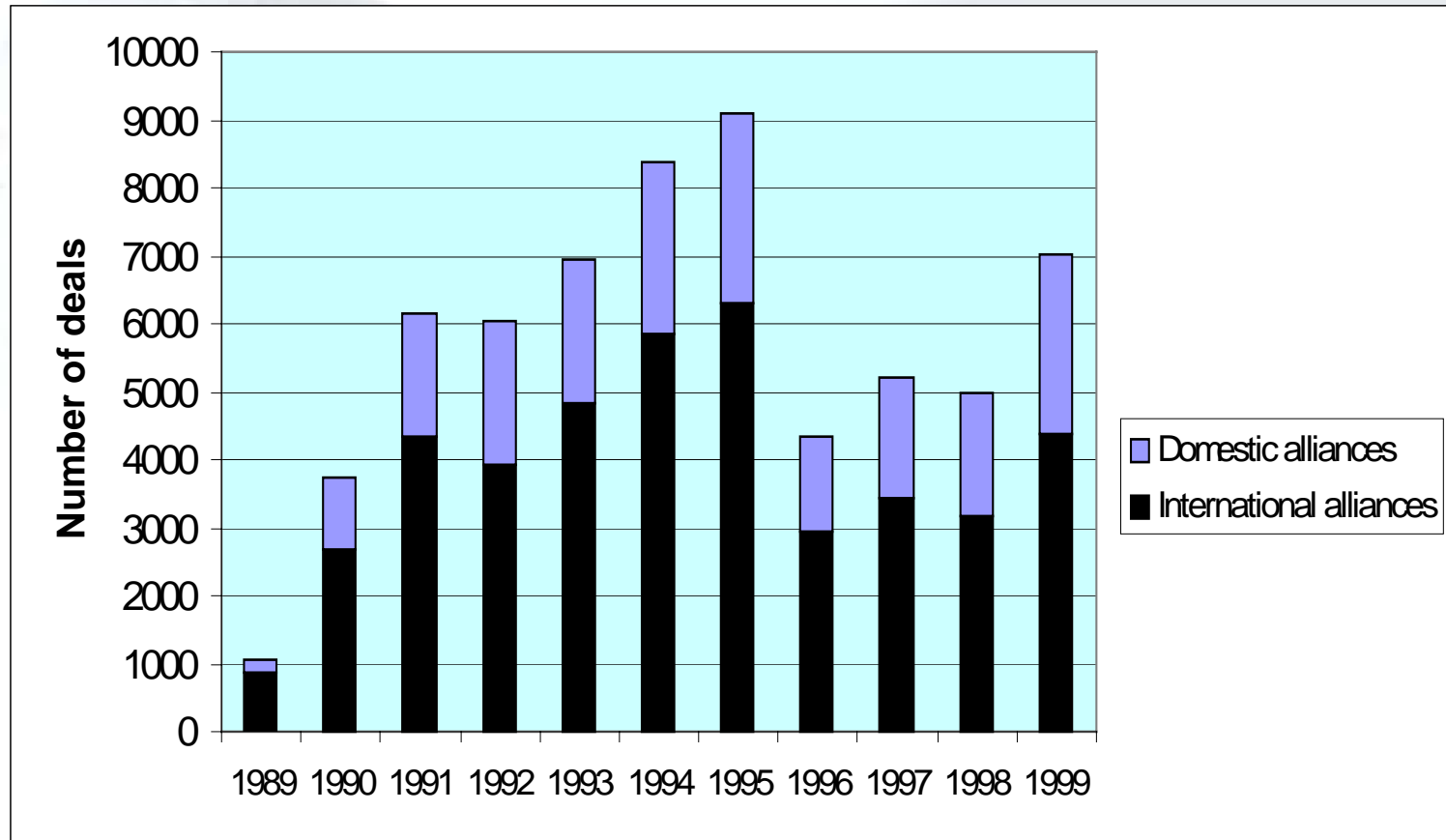
3. M&A



자료: Securities Data, Global M&A Database.

II. Mega Competition

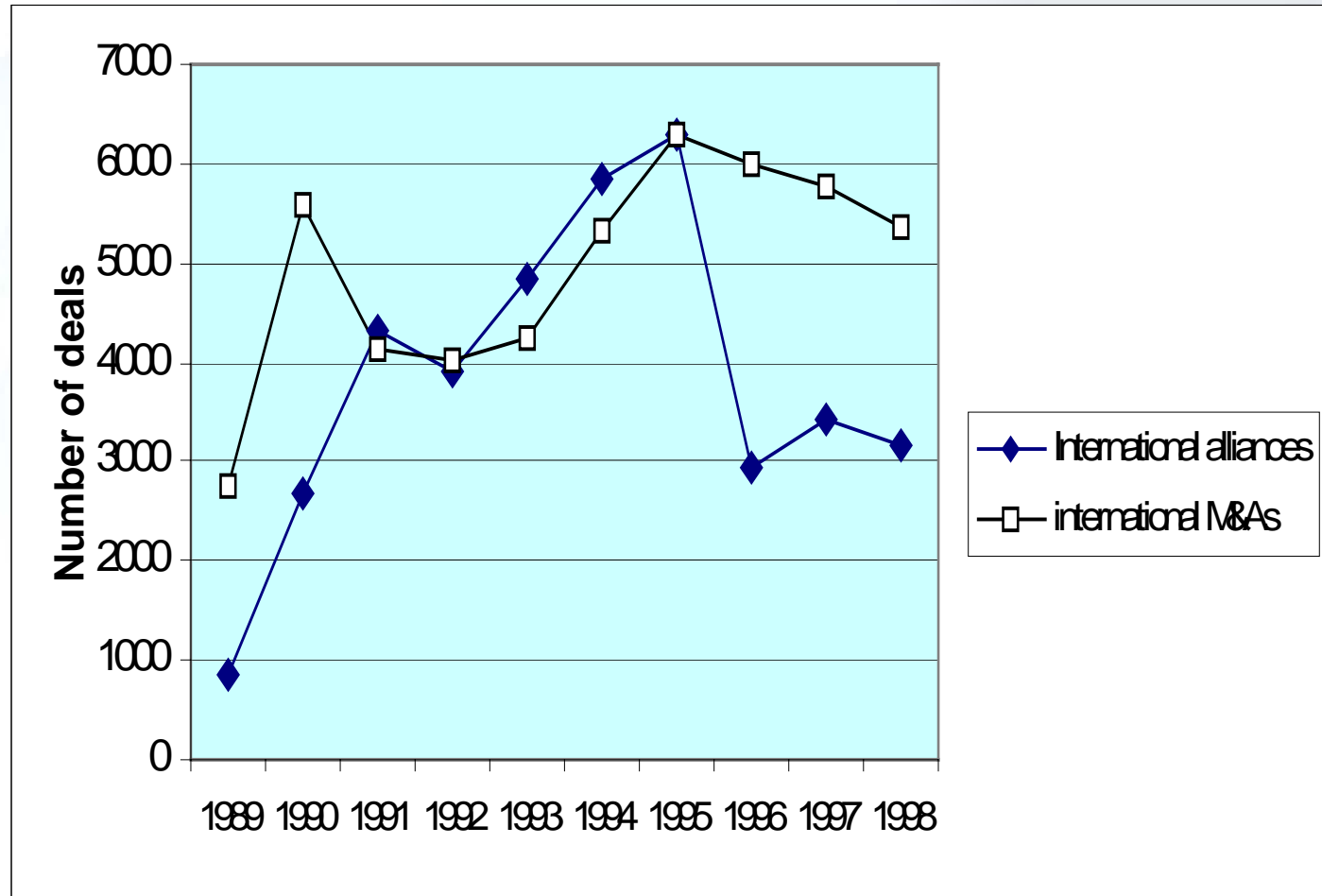
4.



Source: Thomson Financial Securities Data

II. Mega Competition

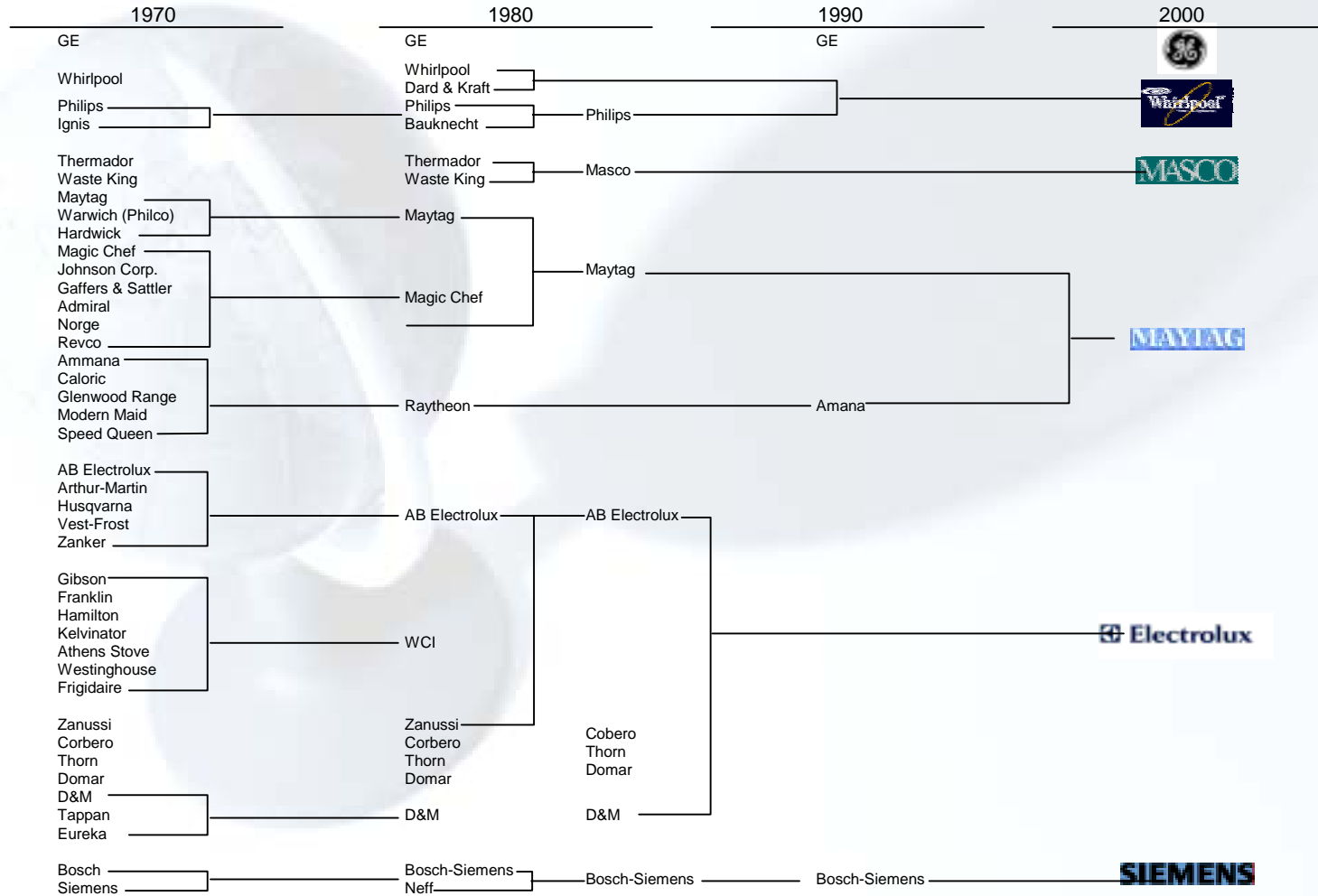
5. 가 M&A,



Source: Thomson Financial Securities Data and KPMG Corporate Finance

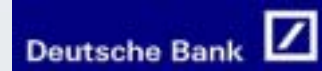
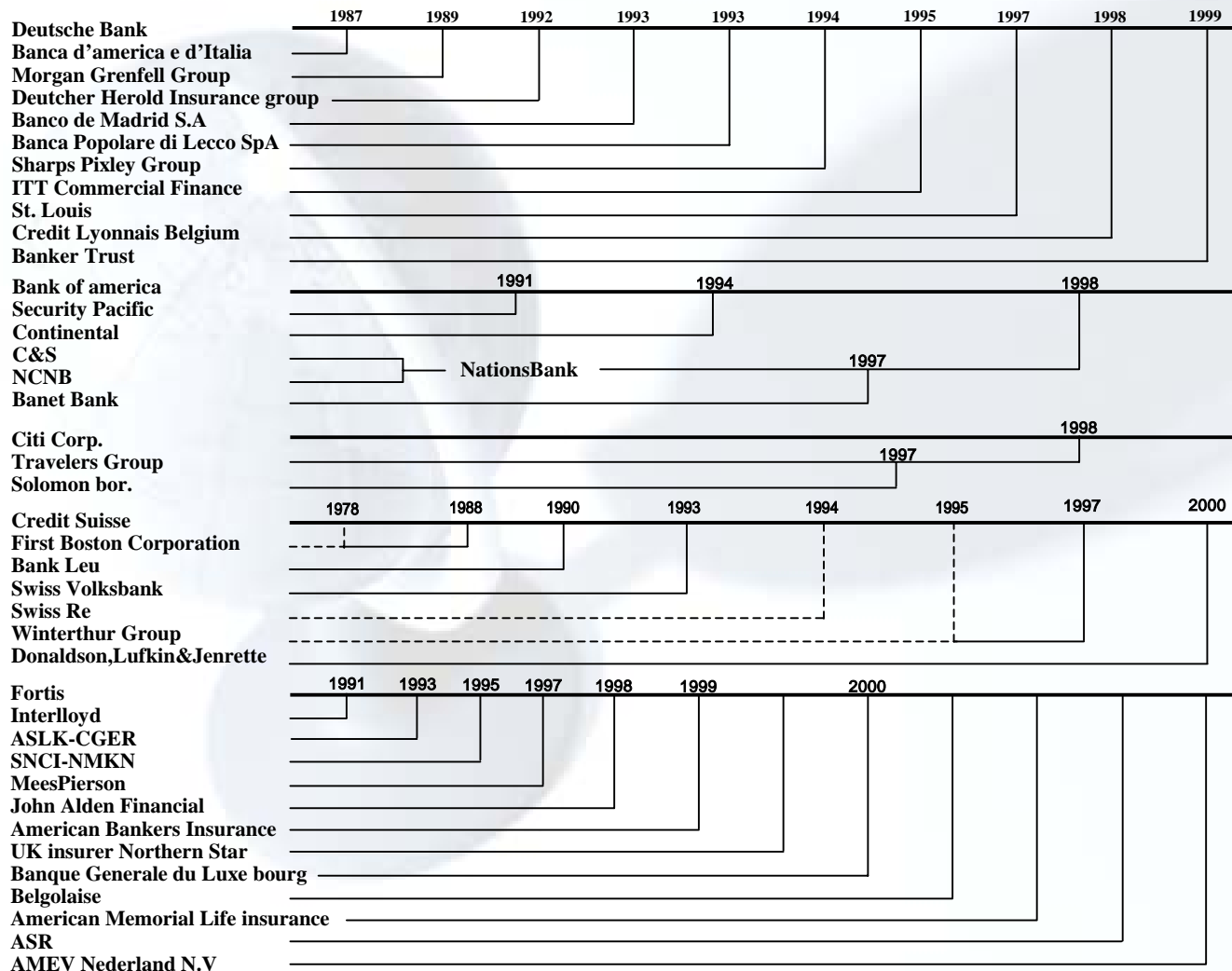
III. Mega Competition

1. Home Appliance Industry



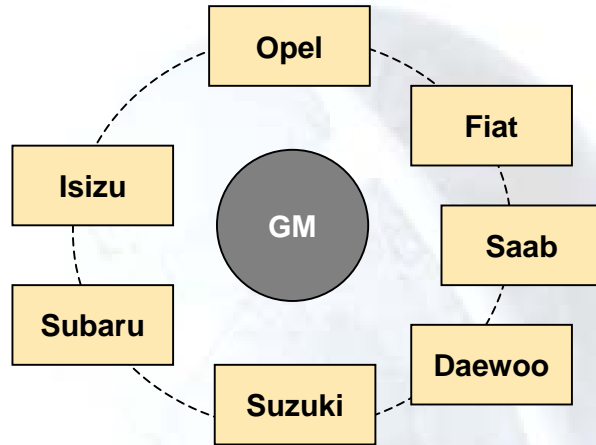
III. Mega Competition

2. Banking Industry

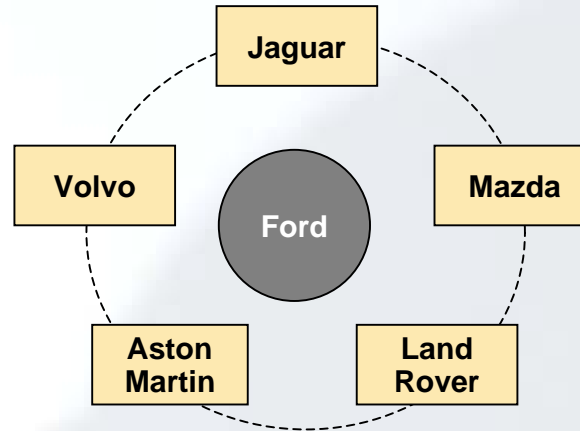


III. Mega Competition

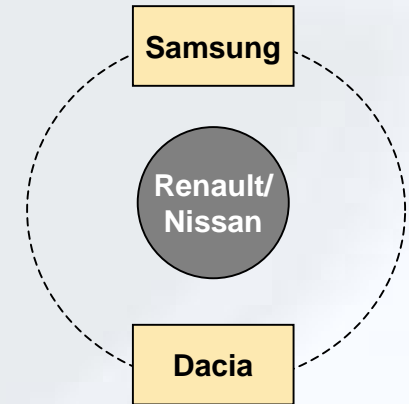
3. Auto Industry



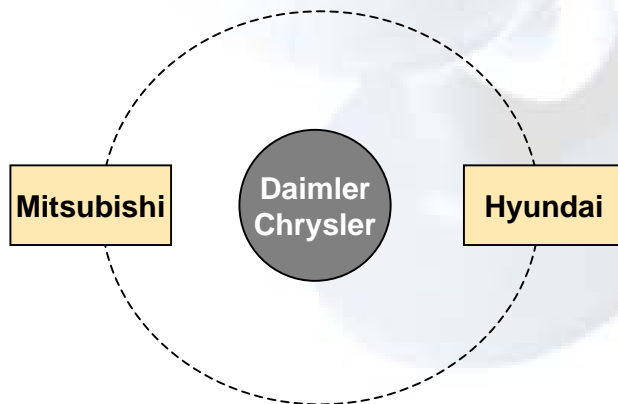
(2000)
: 1,375



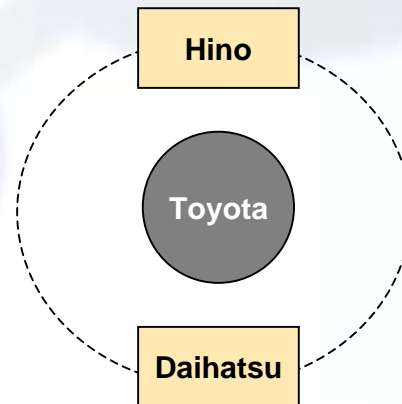
: 818



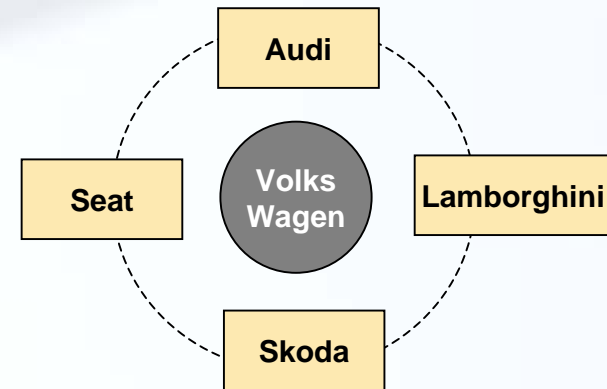
: 498



: 655



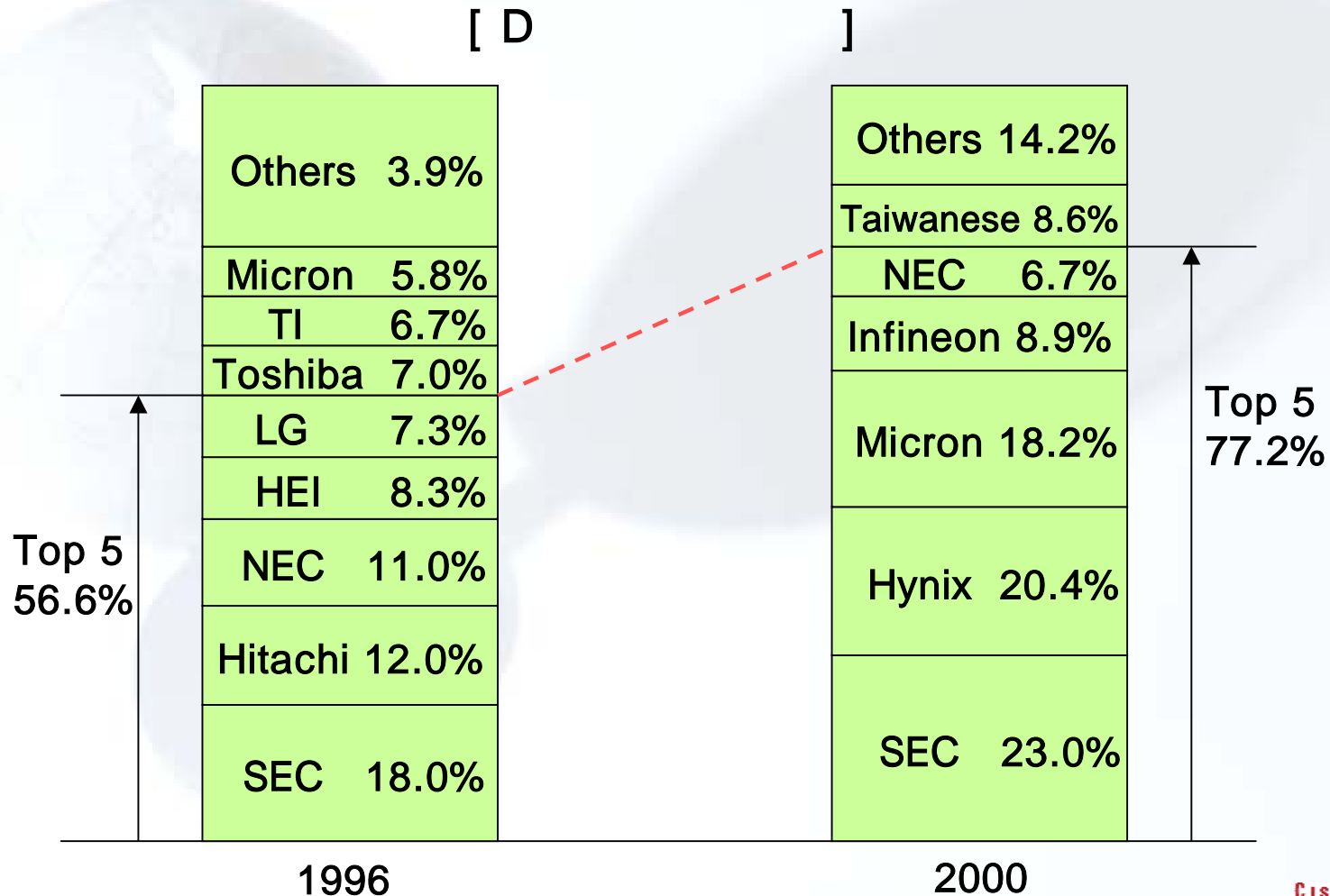
: 586



: 508

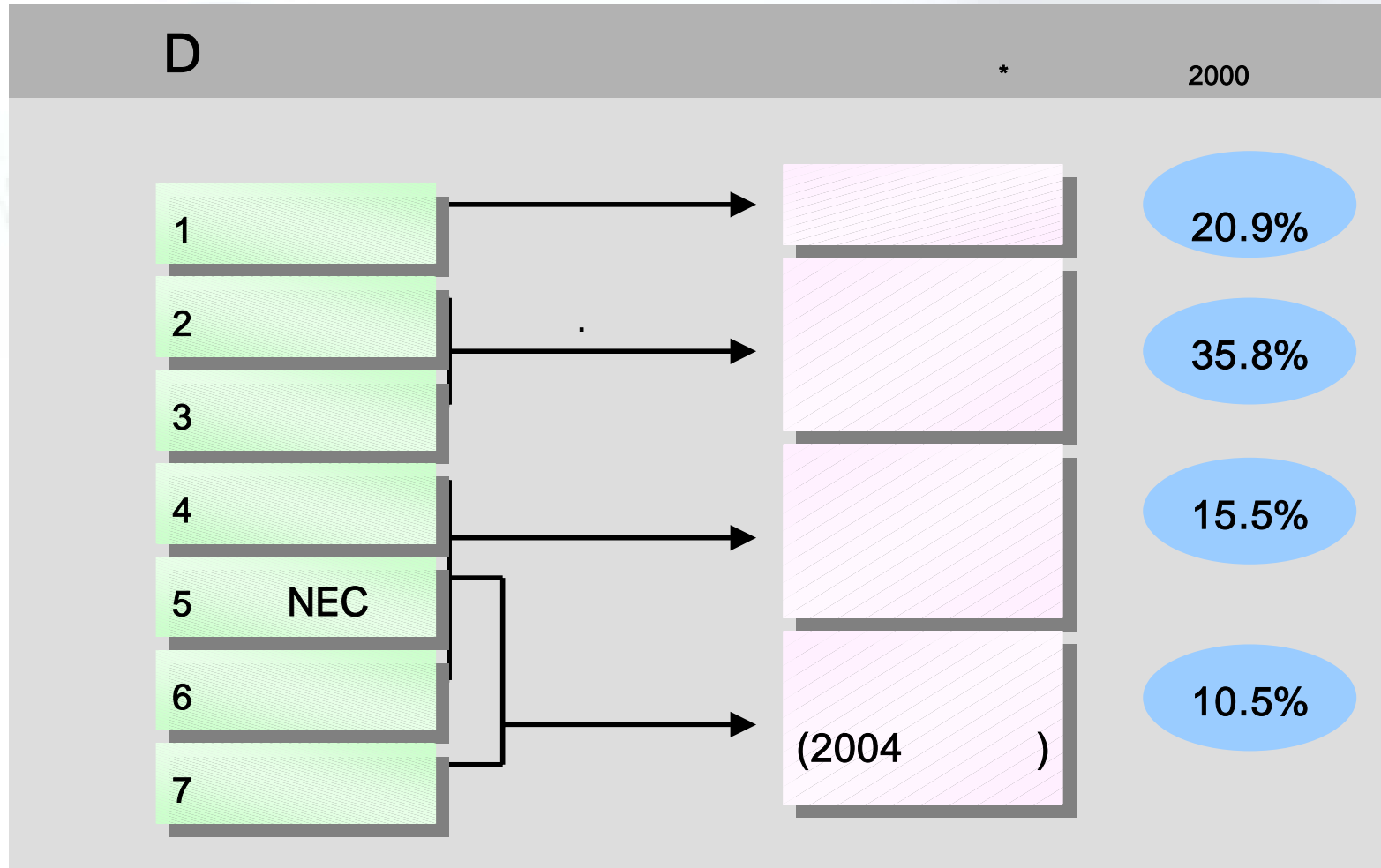
III. Mega Competition

4. Semiconductor Industry



III. Mega Competition

4. Semiconductor Industry



III. Mega Competition

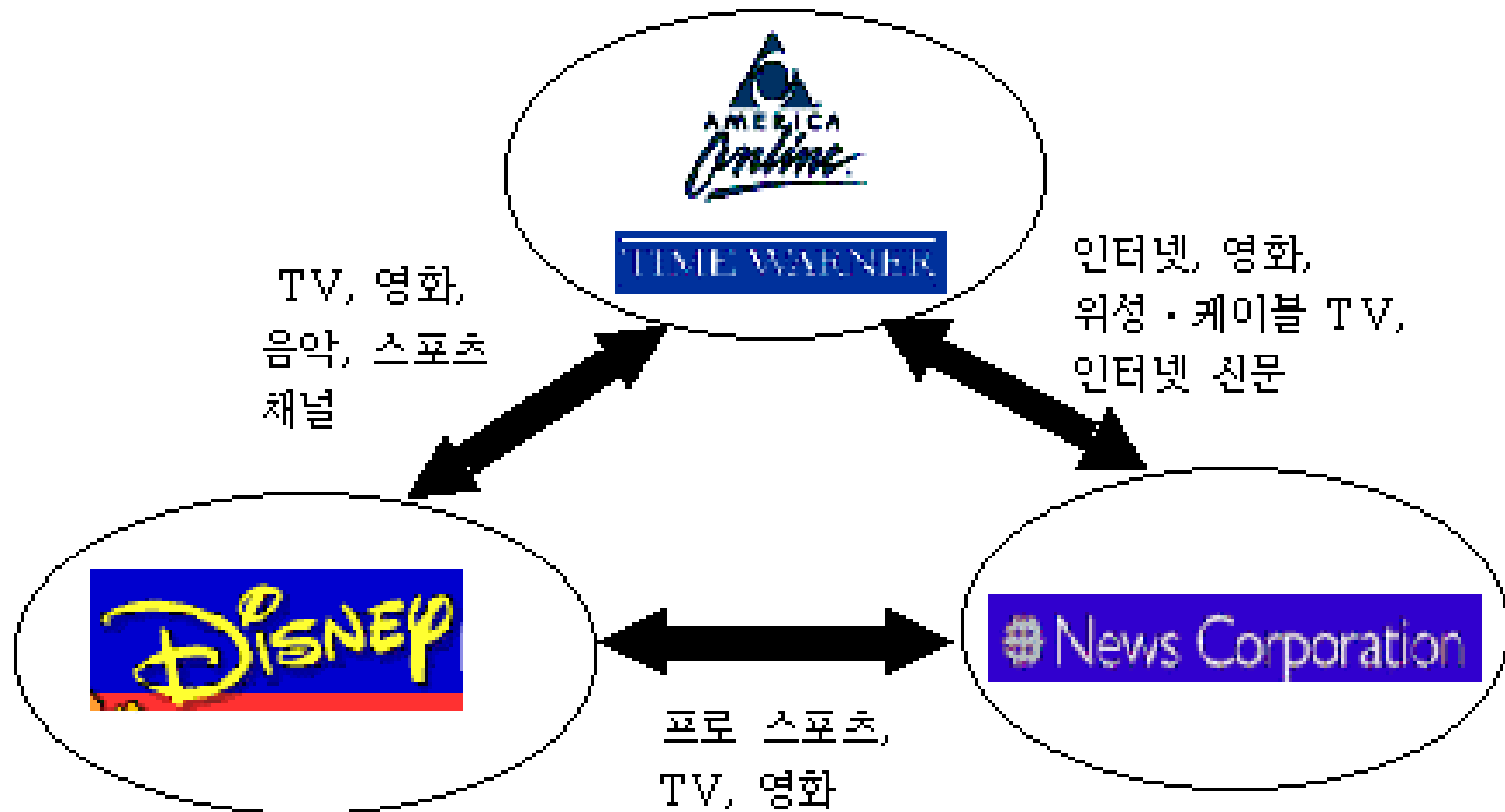
5. Airline Industry



III. Mega Competition

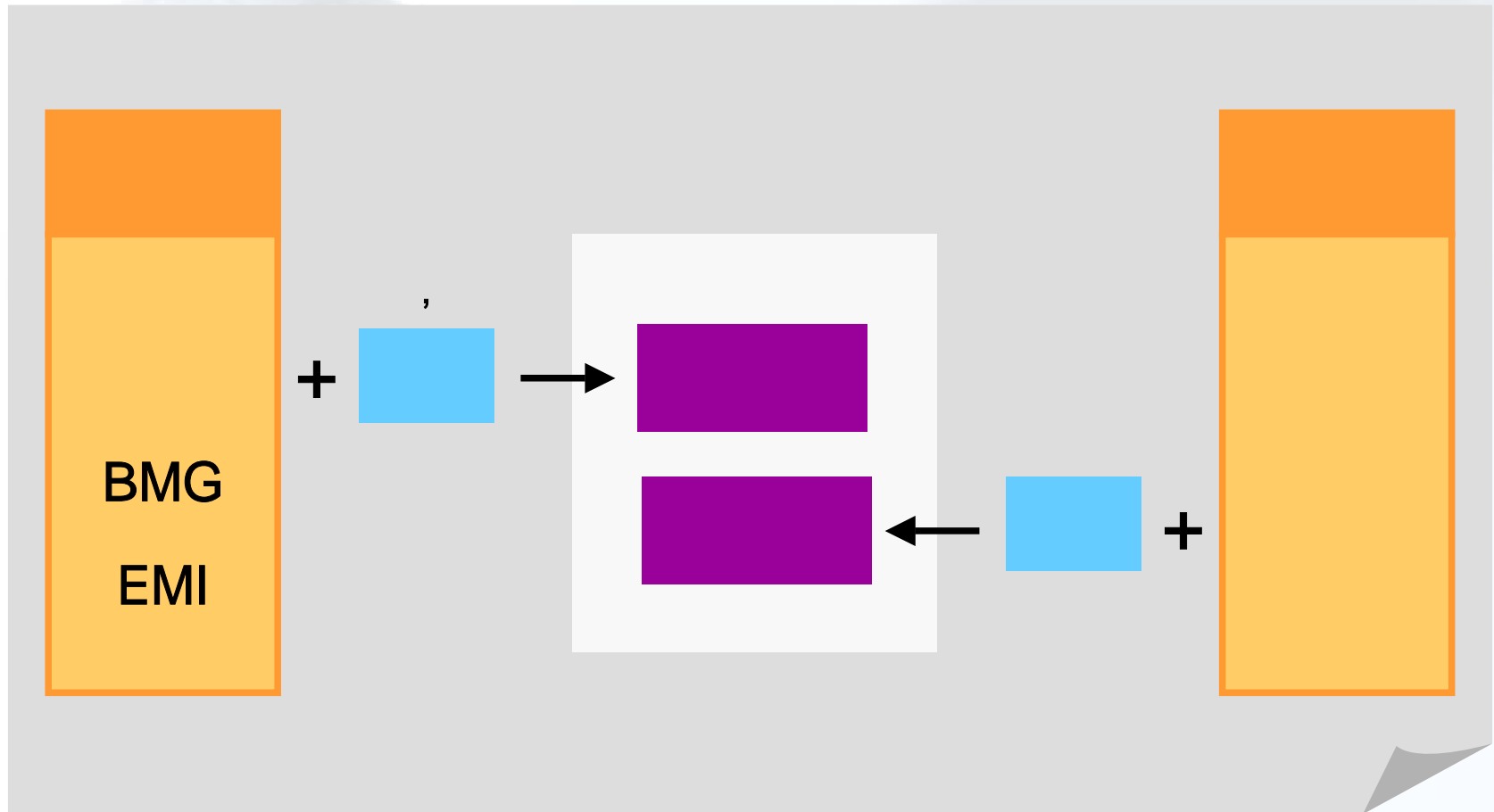
6. Media Industry

미디어 빅3간 경쟁 양상



III. Mega Competition

7. Online Music Industry



IV. Mega Competition

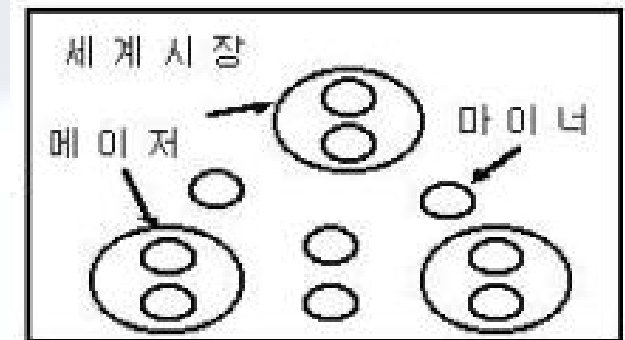
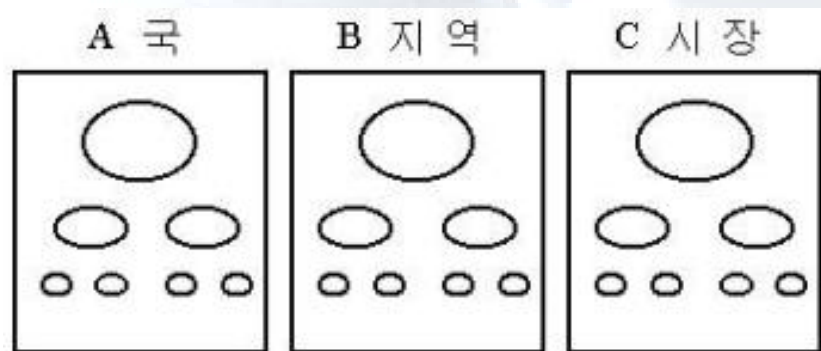
1.



M&A

minor

가



IV. Mega Competition

1.

‘ ,

	<ul style="list-style-type: none"> Daimler Benz/Chrysler(98.5) → Ford/Volvo(99.1) → /日産(99.3)
/	<ul style="list-style-type: none"> BP/Amoco(98.8) → Exxon/Mobil(98.12) Sandoz/Ciba(95) → Hoechst/Rhone Poulenc(98.12) → Zeneca/Astra(99.1)
	<ul style="list-style-type: none"> /MCI(97.11) → AT&T/TCI(98.6) → Bell/GTE(98.7) → / (99.1) → Olivetti/Telecom Italia(99.2) → Comcast/MediaOne(99.3)
	<ul style="list-style-type: none"> CitiCorp/Travelers(98.4) → NationsBank/BOA(98.4) → BancOne Corp/First Chicago NBD(98.4) → DeutscheBank/Bankers Trust(98.11)

IV. Mega Competition

1.

Mega Players within Industries

AIRLINES	AMR, UAL, DELTA , JAL, LUFTHANSA
BANKS	DEUTSCHE BANK, BOA, CREDIT SUISSE, FORTIS, BNP PARIBAS
CHEMICAL	BASF, DU PONT, BAYER, DOW CHEMICAL, NORSK HYDRO
ELECTRONICS	SIEMENS, HITACHI, MATSUSHITA ELEC. INDL SONY, TOSHIBA
ENTERTAINMENT	AOL - TIMEWARNER, WALT DISNEY, NEWS CORP. VIACOM, SEAGRAM

IV. Mega Competition

1.

Mega Players within Industries

AUTOMOBILE	GM,FORD,DAIMLERCHRYSLER, TOYOTA,VOLKSWAGEN
PETROLEUM	EXXON MOBIL,ROYAL DUTCH/SHELL, BP AMOCO, TOTAL FINA ELF, PDVSA
PHARMACEUTICALS	GSK, PFIZER, MERCK, ASTRAZENECA BRISTOL MYERS SQUIBB
TELE- COMMUNICATIONS	NTT, AT&T,VERIZON COMMUNICATIONS SBC COMMUNICATIONS, WORLDCOM

IV. Mega Competition

2.



(Network 對 Network)



Cost,

3.

가



가

(:

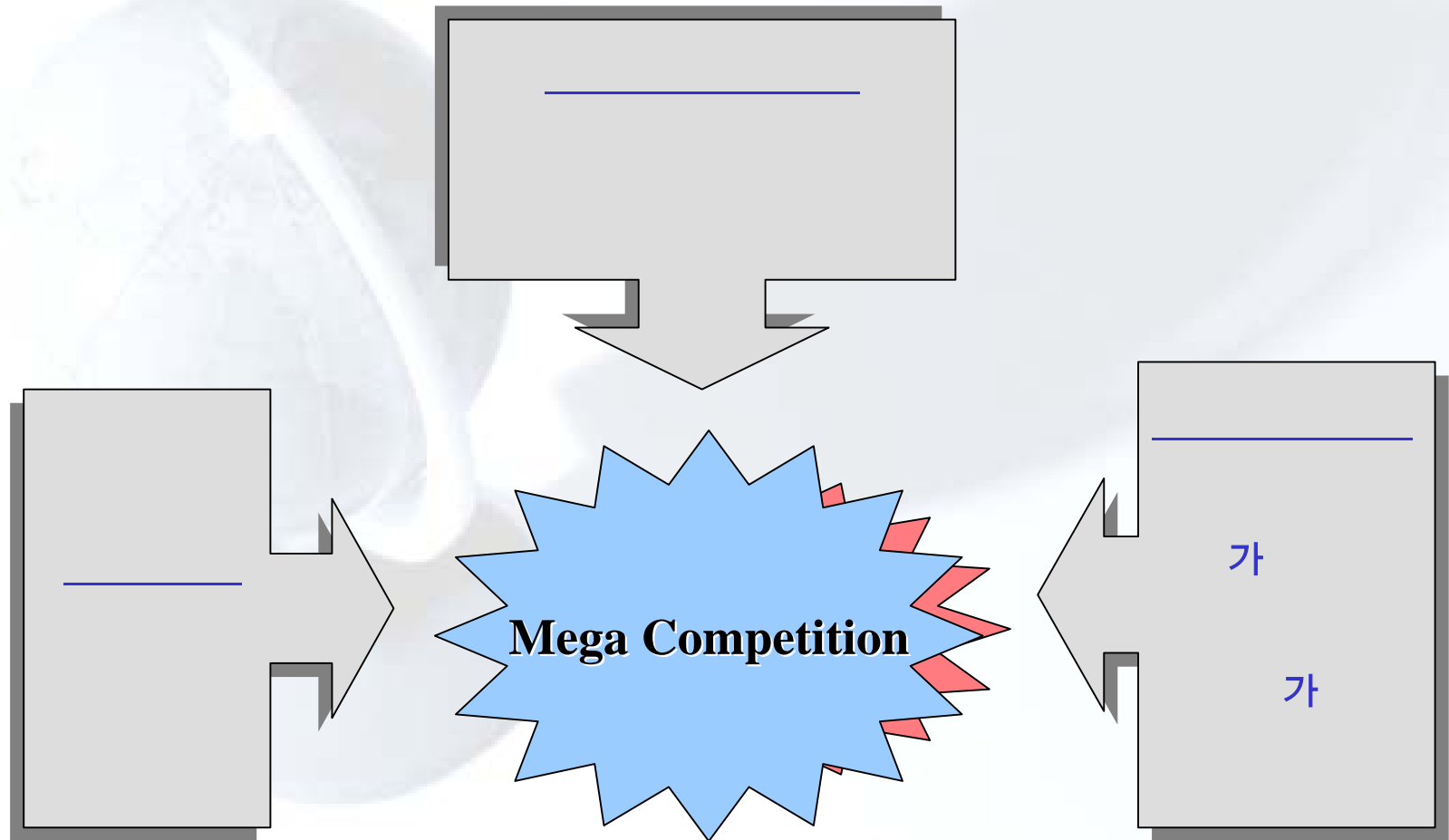
)



- BT, NT, ET, IT

V. Mega Competition

1.



V. Mega Competition

2. M&A



Synergies

-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15 - 20%	5 - 20%	5 - 15%	15 - 50%	25 - 50%

Cost Saving

Source:

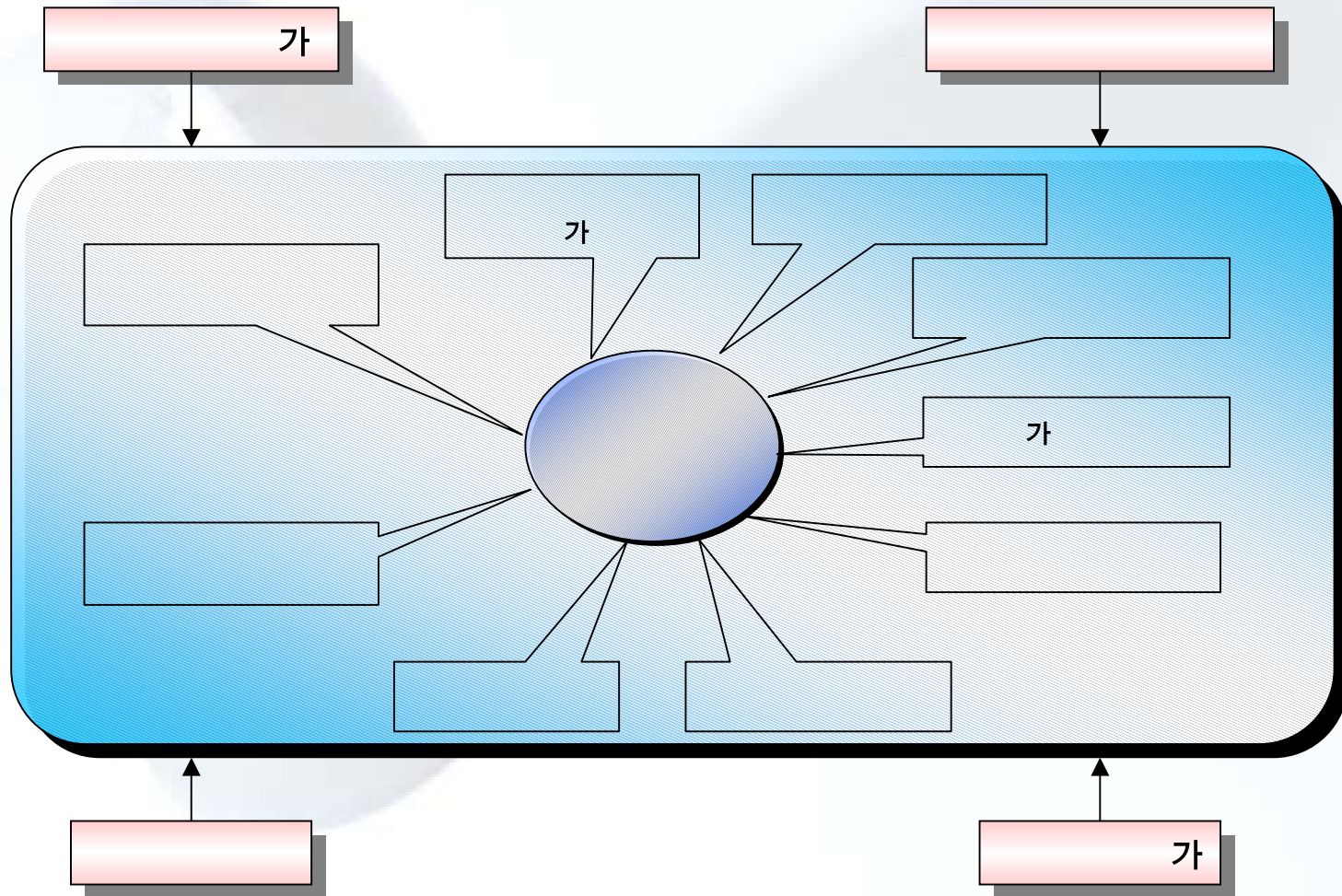
Mega Competition

CISCO SYSTEMS



V. Mega Competition

3.



VI. Mega Competition

1.

☐ _____ (, ,)

☐ (: → , ,)

☐ (, M&A)

2.

☐ 가 (, , ,)

☐

☐ Network

(, ,)

VI. Mega Competition

5

: %

	1998		1999		2000		2001.1 - 10	
1		12.9		13.1		15.1		9.8
2		7.5		7.8		8.4		8.7
3		6.1		7.1		7.7		7.2
4		5.6		5.2		5.5		6.5
5		5.5		4.9		4.8		6.2
		37.1		38.1		41.5		38.4

: 2001. 11

VII. Mega Competition下

1.



Raising Structural Barriers

- Fill Product or Positioning Gaps
- Block Channel Access
- Raise Switching Cost
- Foreclose Alternative Technologies
- Government Policies
- Form Coalitions

Increasing Expected Retaliation

- Establish Blocking Positions
- Raise the Penalty of Exit or Lost Share
- Encourage Good Competitors
- Leapfrogging
- Litigation

Lowering the Inducement for Attack

- Reducing Profit Targets
- Managing Competitor Assumptions

Source: Michael E. Porter 'Competitive Advantage'

Mega Competition

VII. Mega Competition下

2.



Redefinition

- Segment Scope
- Geographic Scope
- Industry Scope

Reconfiguration

- Product Changes
- Outbound Logistics and Service Changes
- Marketing Changes
- Operations Changes
- Downstream Reconfiguration

Alliances To Attack Leaders

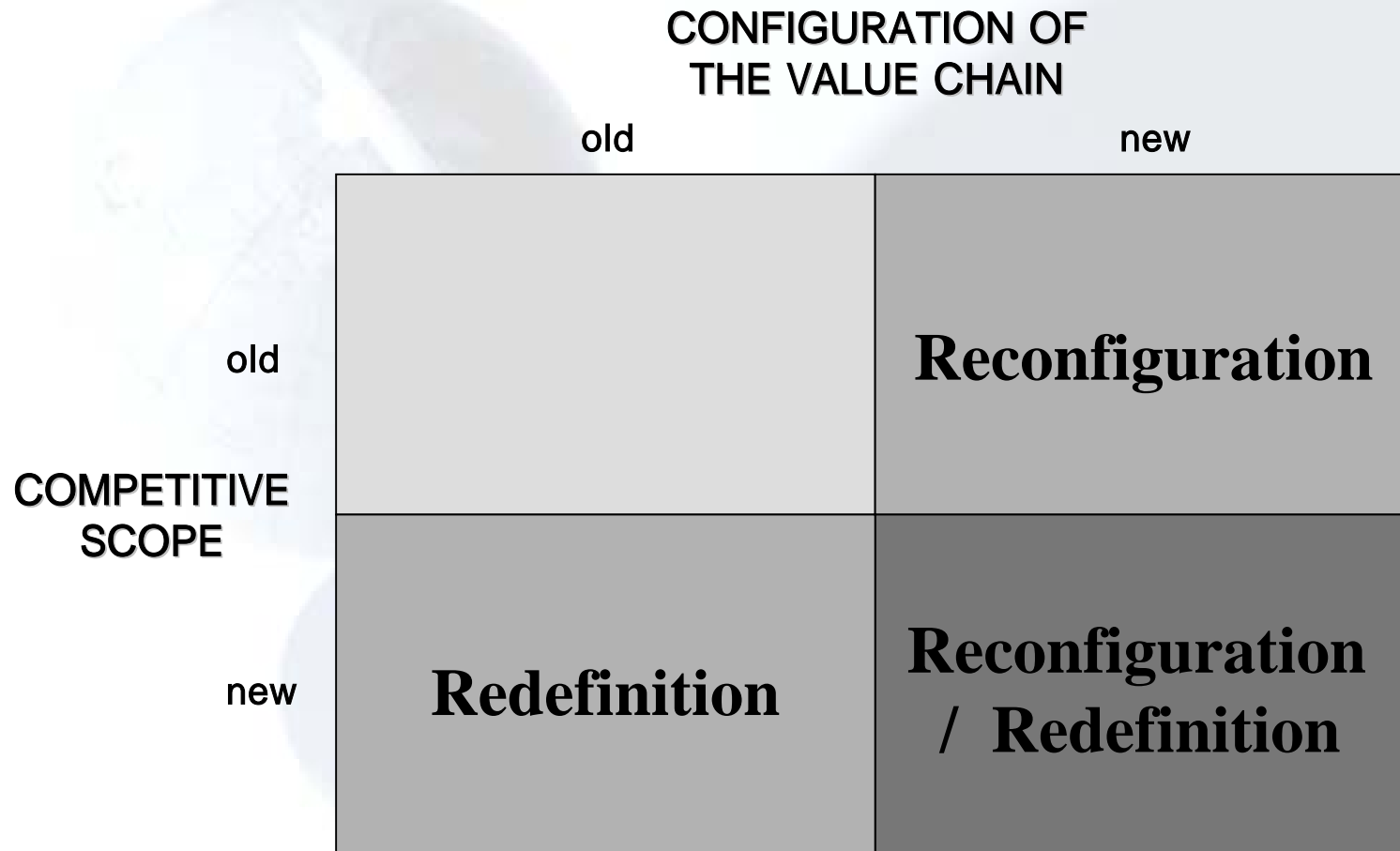
- M & A
- Strategic Alliances

Source: Michael E. Porter 'Competitive Advantage'

Mega Competition

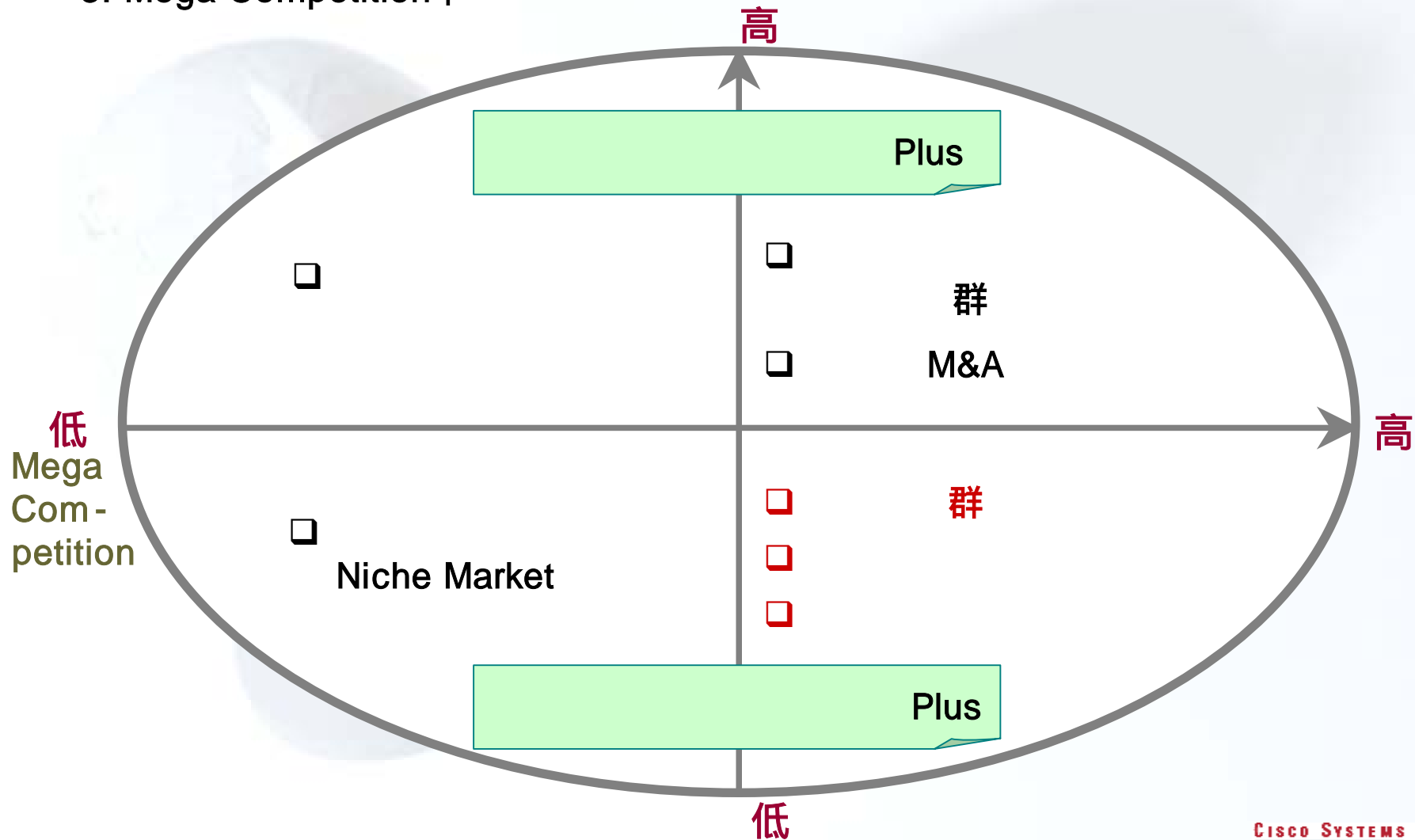
VII. Mega Competition 下

2.



VII. Mega Competition下

3. Mega Competition下



VII. Mega Competition 下

4.

[1] Defend

-
-

< > Jolibee

[2] Offset

- lobby
- global

< > Legend

[3] Approximate

- 가 global company
- , ,

< > Swiss Air

[4] Focused Offense

-

< > AMD

VIII. Case Study

1. Jollibee – Defend Strategy



Jollibee

1. Customizing ()
2. ()
3. Franchisee
4. Fastfood game rule (Top of Mind)

VIII. Case Study

2. Legend – Offset Strategy



Legend

1.

2.

3. 가

4. R&D

5.

VIII. Case Study

2. Legend – Offset Strategy



PC



90

2001

VIII. Case Study

3. Swissair – Approximate Strategy



Swiss Air

1. Qualiflyer Group

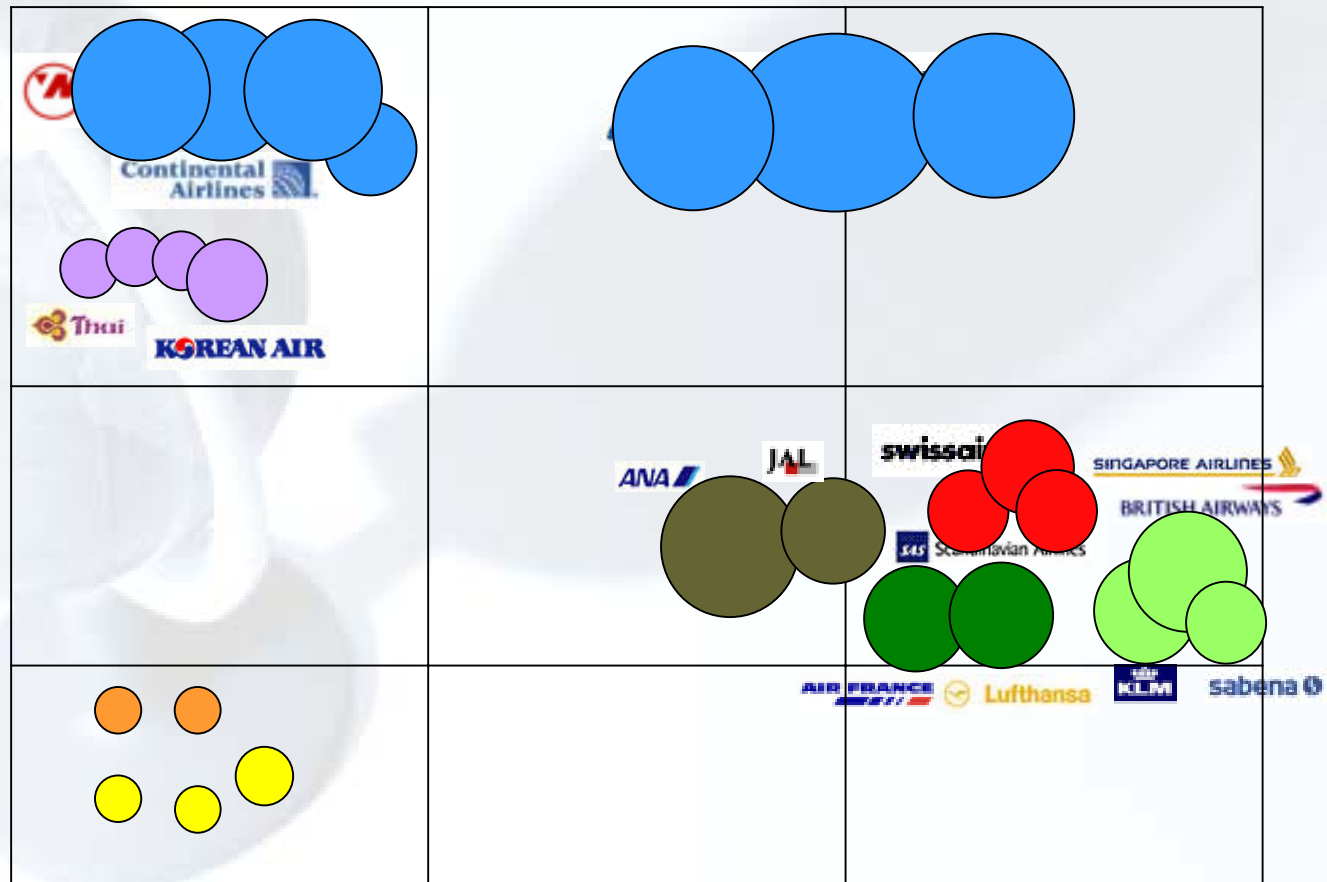
2. AA

3. High - Quality Service

4.

VIII. Case Study

3. Swissair – Approximate Strategy



VIII. Case Study

4. AMD – Focused Offense Strategy



AMD

1.

-

2.

3.

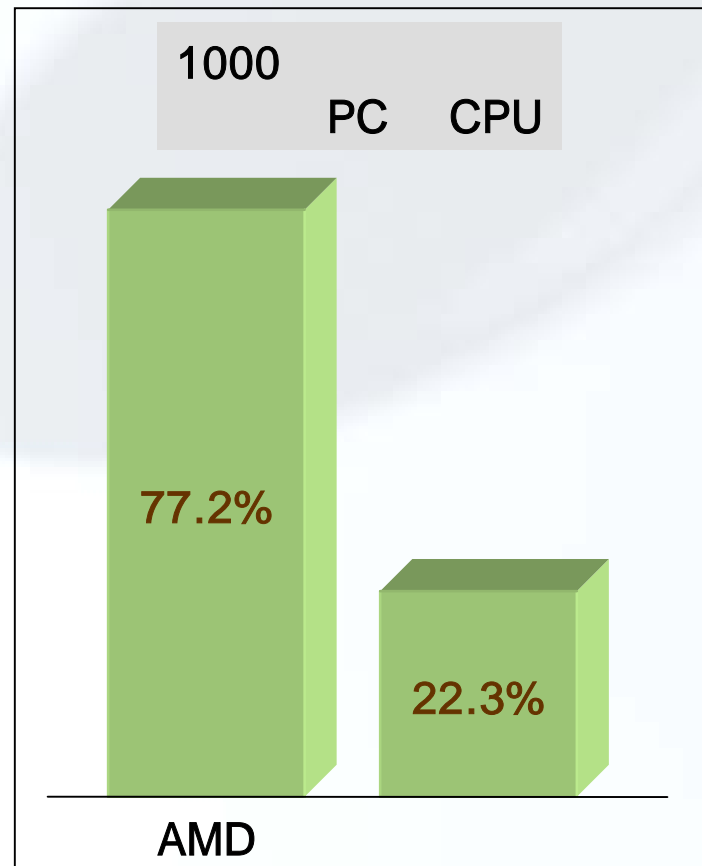
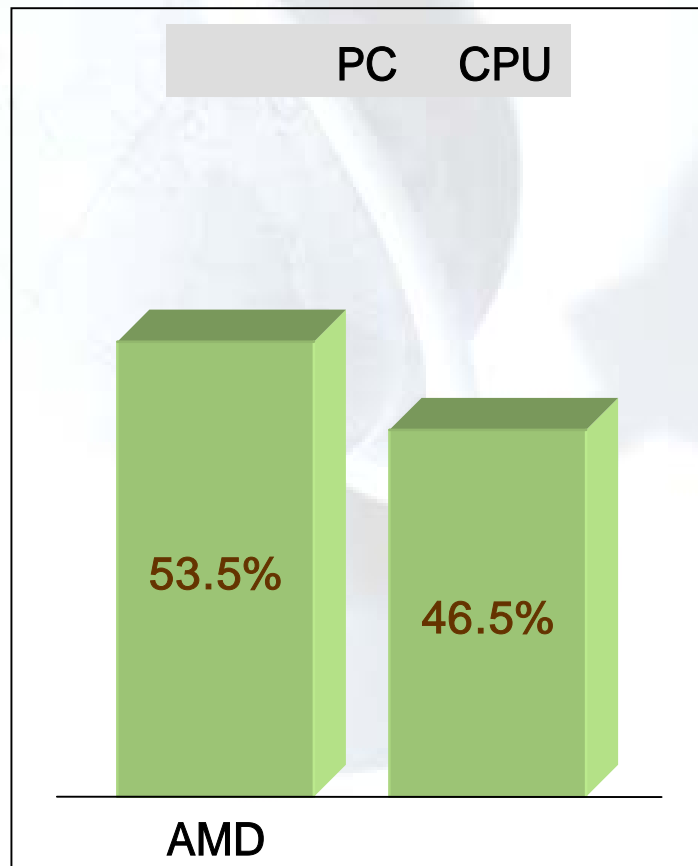
4. 가

VIII. Case Study

4. AMD – Focused Offense Strategy

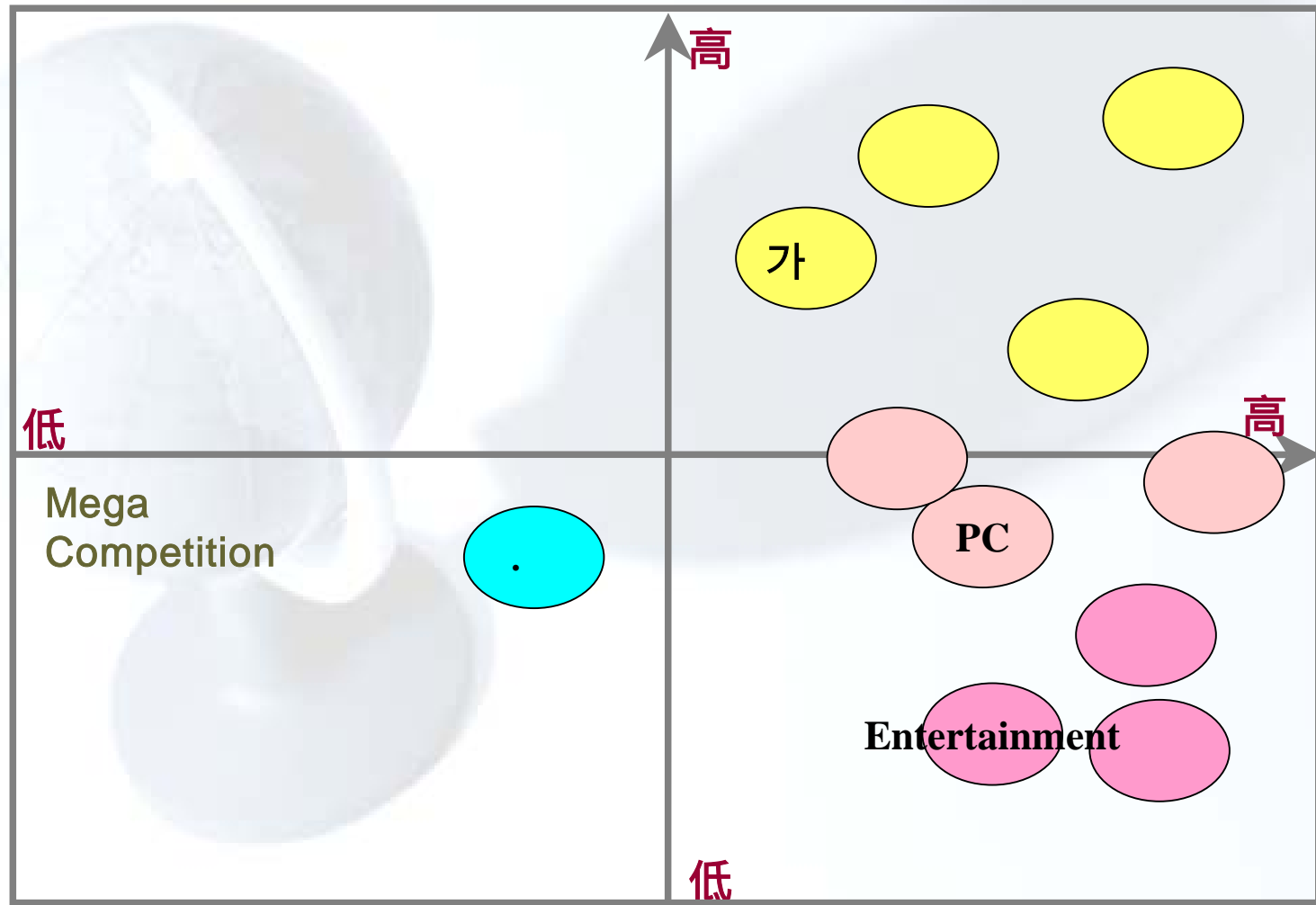


PC CPU (2000)



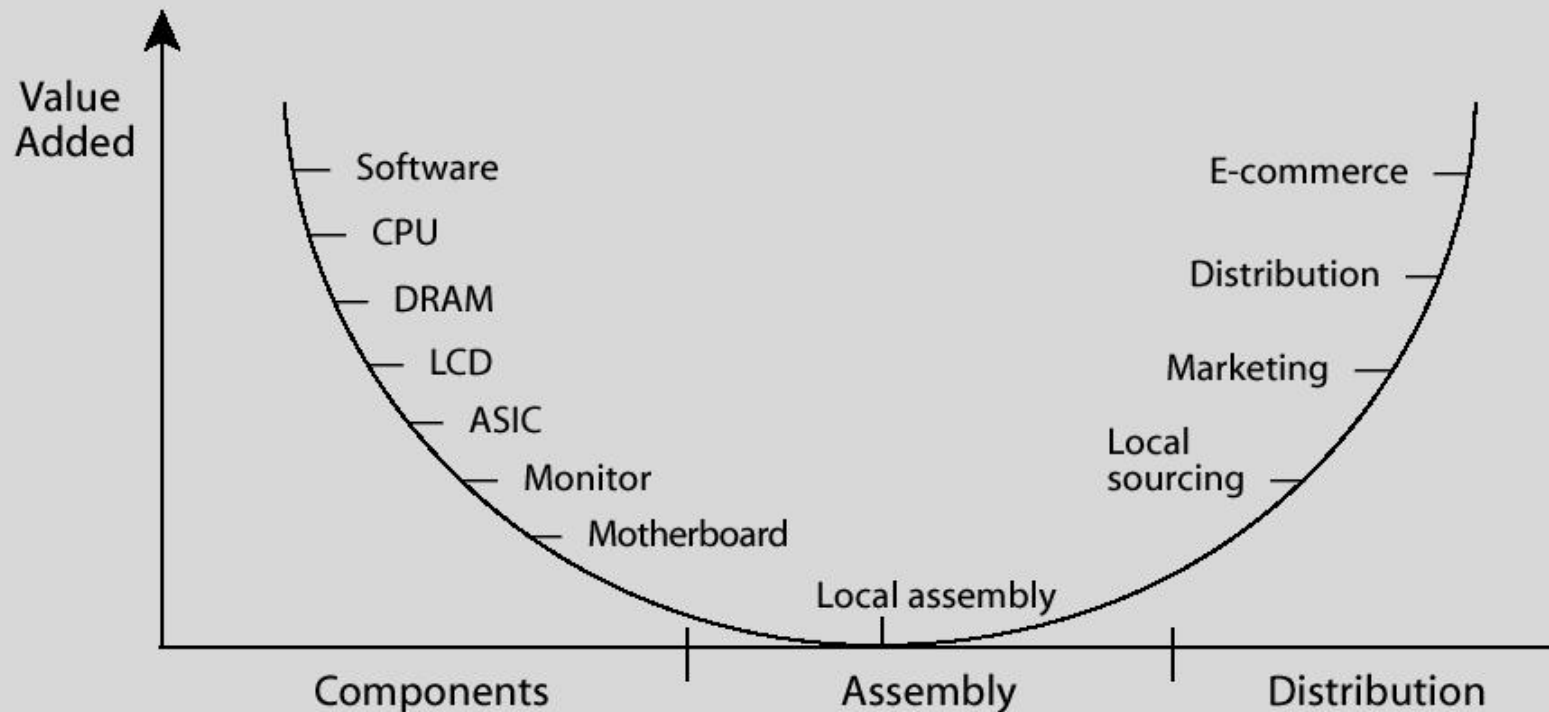
IX. Mega Competition下

1. Mega Competition下



IX. Mega Competition下

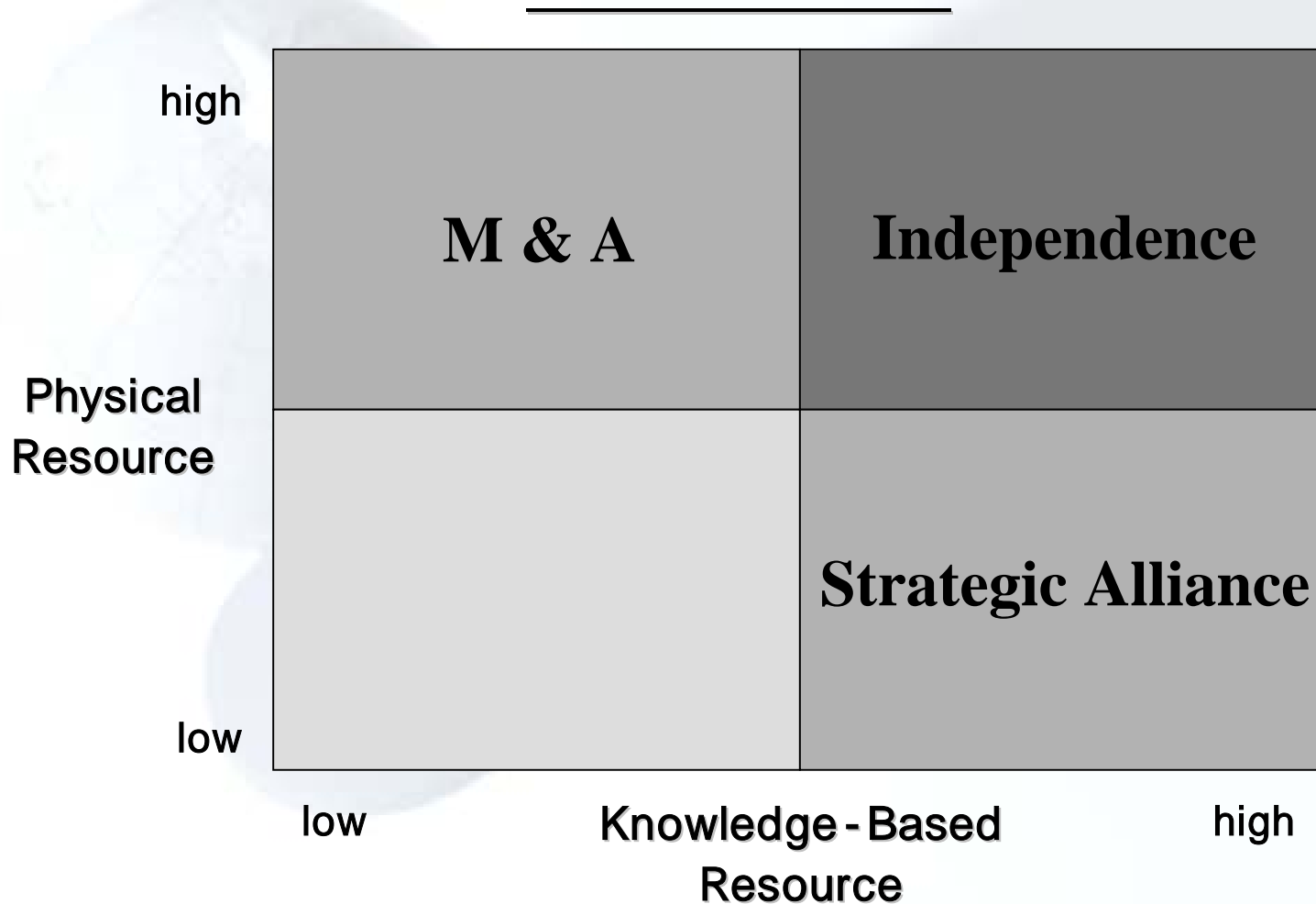
Stan Shih's Smiling Curve



Source: HBR Article 'Going Global'

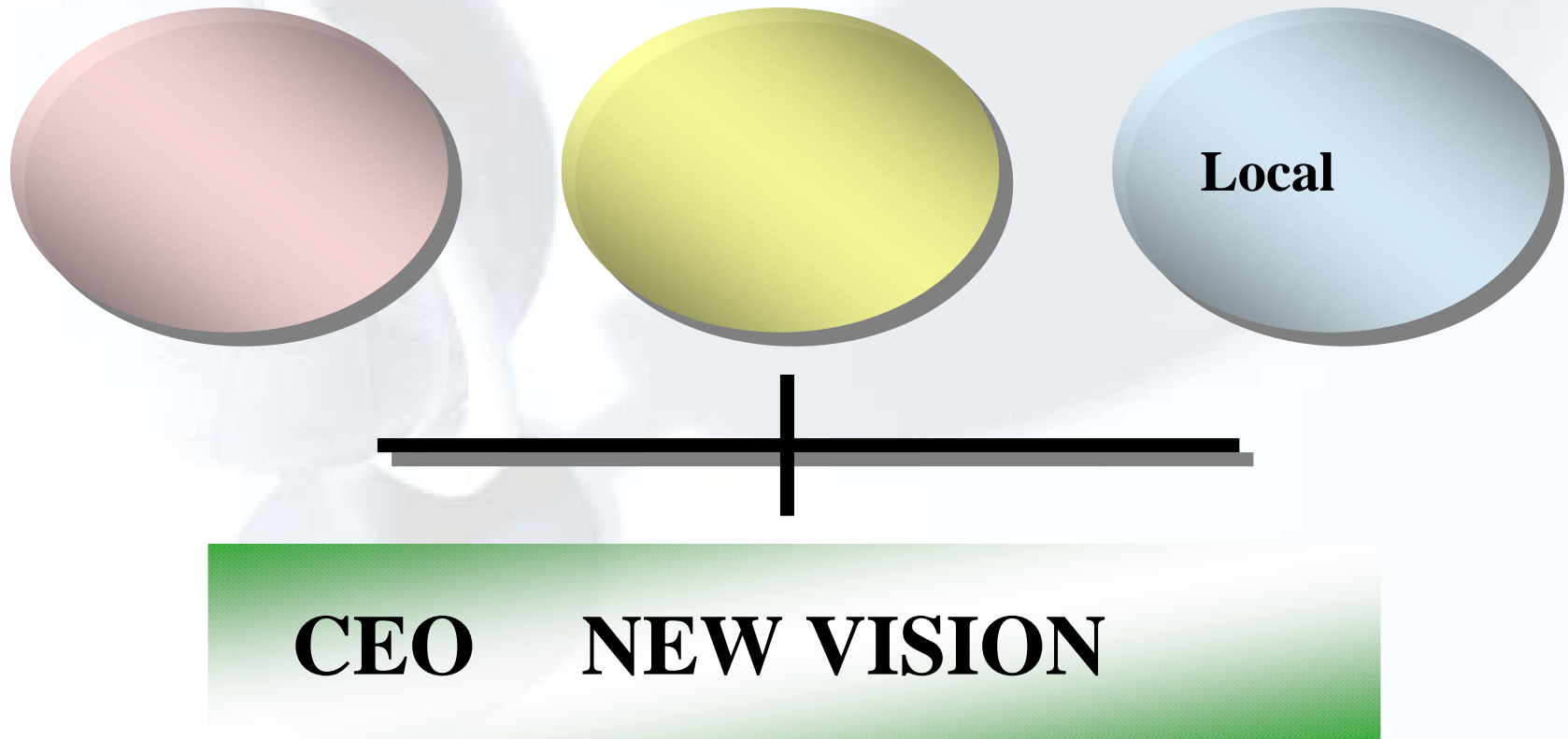
IX. Mega Competition 下

2.



IX. Mega Competition下

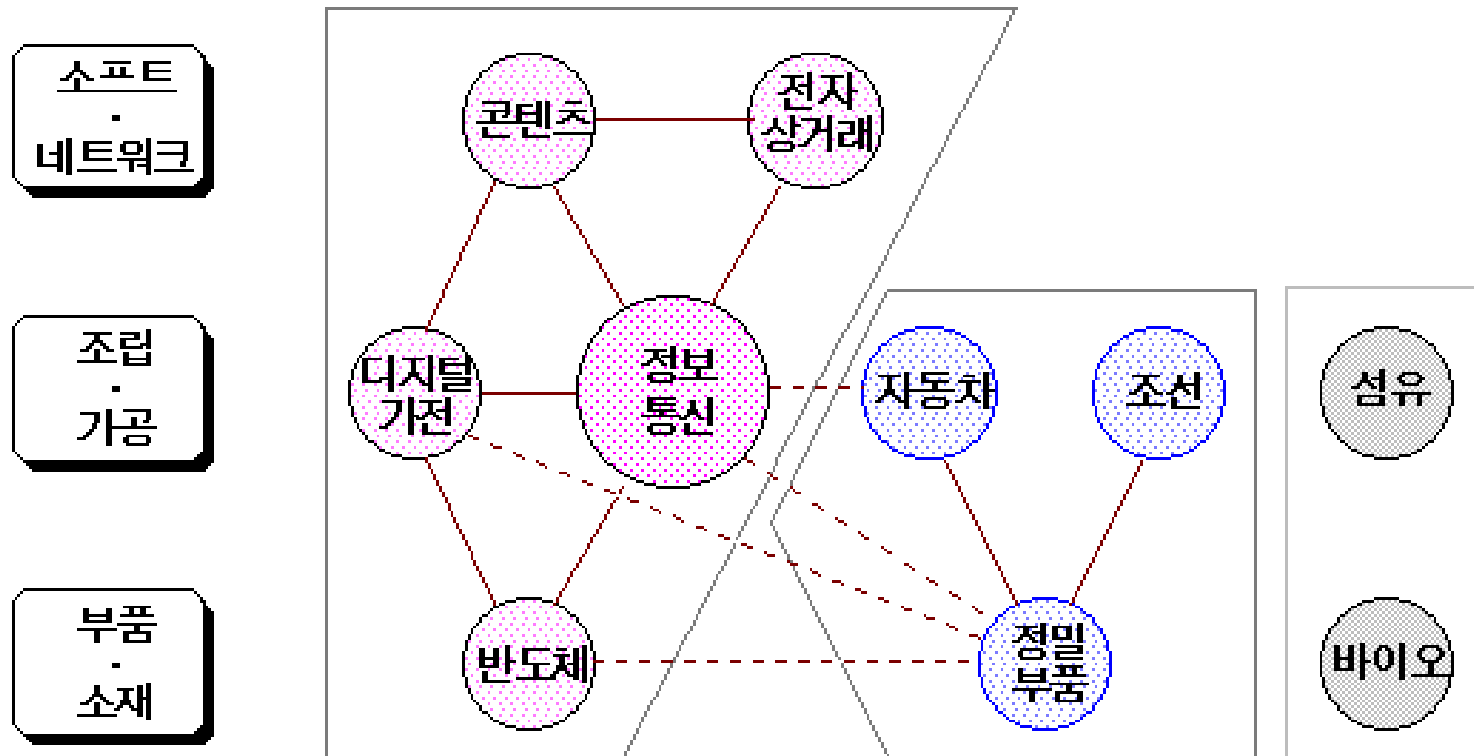
2.



IX. Mega Competition 下

2.

21세기 한국의 10대 주력산업



Source:

IX. Mega Competition下

3.

Network

1. (,)

2. **Mixed Blood** ()

3. (, ...)

X. Discussion

Discussion Issues

1. What is the nature of mega competition?

- Strong guy's game?
- Limitation to a few industries?

2. What would be the impact of mega competition on corporate strategy?

- Size Matters?

3. What to do on the part of small players?

- Keep independence?
- Join network?