

OHMAE, K (1989), *Managing in a Borderless World*, *Harvard Business Review*, May-June, pp. 152-161.

Even though today's competitive landscape often stretches to a global horizon, most managers see best what they know best: the customers geographically closest to home. Home markets are usually in focus; overseas markets are not.

Effective global operations require a genuine equidistance of perspective. The primary rule of equidistance is to see - and to think - global first. Honda, for example, has manufacturing divisions in Japan, North America and Europe - all three legs of the Triad - but its managers do not think or act as if the company were divided between Japanese and overseas operations. The word "overseas" has no place in Honda's vocabulary because the corporation see itself as equidistant from all its key customers. There is no single best way to avoid or overcome nearsightedness. However managers do it, building a value system that emphasises seeing and thinking globally is the bottom-line price of admission to today's borderless economy.

On a competitive map, boundaries between countries have largely disappeared. This is due to the persistent and ever speedier flow of information. In the past, there were gross inefficiencies in the flow of information around the world. People everywhere are more and more able to get the information they want directly from all corners of the world.

Through this flow of information, we have become global citizens and so must the companies that want to sell us things. Global needs lead to global products. For managers, this universal flow of information puts a high premium on learning how to build the strategies and the organisations capable of meeting the requirements of a borderless world.

When it comes to product strategy, managing in a borderless world doesn't mean managing by averages. It doesn't mean that all tastes run together in to one amorphous mass of universal appeal. Truly universal products are few and far between. But although the needs and tastes of the Triad markets vary considerably, there may well be market segments of different sizes in each part of the Triad that share many of the same preferences.

*Insiderisation* in key markets is the key to global success. Creating a global product means building the capability to understand and respond to customer needs and business system requirements at the local level in each critical market.

The *headquarters mentality* is the prime expression of managerial nearsightedness, the sworn enemy of a genuinely equidistant perspective on global markets. The central job of any headquarters operation should be the development of good people at the local level and not to interfere in local operations. Operating globally means challenging entrenched systems that work against collaborative efforts.

Managing effectively in the new borderless environment means paying central attention to delivering value to customers and to developing an equidistant view of who they are and what they want. Before everything else comes the need to see your customers clearly. Only they can provide legitimate reasons for thinking global.