

Department of Information and Systems Management
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Seminar Announcement

***Imitative Competition: Implications for Global Sourcing
and Technology Transfer***

by

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Room 4379, ISMT Conference Room (L17/18)**

~~~~~ All interested are welcome ~~~~~

**Abstract**

Technology transfer offers global firms an opportunity to reduce costs of serving emerging markets as well as source from the low-cost country for their home markets. However, it also poses risks of potential technology imitation by local competitors who may enter the emerging market and invade subsequently the global firms' home markets as well. We study the competition between a global firm and a local imitator in both markets and examine how the competition affects the global firm's technology transfer and sourcing decisions, and the local competitor's imitation and exporting choices. We examine the impact of various factors, such as market characteristics, cost structures, intellectual property protection policies, firm-specific advantages and disadvantages in production and distribution. Our model broadens the traditional view of firms balancing between avoiding technology leakage and exploiting factor-cost difference by incorporating sourcing opportunities for their home markets. We find three possible optimal strategies: "Local Content", "Export Platform" and "Global Platform", and characterize the above factors that drive which of these strategy will result in equilibrium. Some interesting results arise. For instance, in some cases, larger size of the emerging market could induce the global firm to transfer less technology, and higher imitation cost does not necessarily lead to more technology transfer.

**Biography**

Mr. Jiong Sun is a Ph.D. candidate in Operations Management at the Tepper School of Business of Carnegie Mellon University. His research interests span globalization, technological innovation management and supply chain management. His research projects include: (1) a study of technology transfer and global sourcing strategies in the presence of technology leakage; (2) an investigation of a capacity investment and risk sharing problem in the vegetable oil and bio-diesel industries; and (3) an examination of complementarities between lean manufacturing programs and innovativeness. His research papers are under review in *Management Science* and *M&SOM*. He has taught at Carnegie Mellon University. Mr. Sun obtained his Bachelors degree in Engineering and Business from Shanghai Jiao Tong University in 1996, and his Masters degree in Manufacturing Engineering from National University of Singapore in 1999.