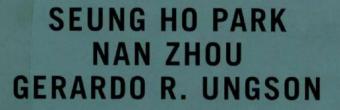
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THE FOUR TRAITS OF SUCCESSFUL BREAKOUT FIRMS IN BRIC COUNTRIES



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Seung Ho Park Nan Zhou Gerardo R. Ungson

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Foreword

For those few skeptics who still wondered how far-reaching an impact the world's developing markets will have on the global economy, the recent recession provided a pretty compelling answer. Even as the advanced markets in North America and Europe stumbled into recession from 2007 to 2009, and in some cases beyond, emerging markets continued to post significantly higher growth rates—collectively, as much as 5 percentage points higher.

By now, the primary debate about the potential of developing economies has shifted from the discussion of whether they will continue expanding to discussions about how fast they will grow and for how long they can sustain these remarkable rates. The world's top multinationals have already recognized the key role that developing markets will play in their futures. Brazil, Russia, India, and China (BRIC) have become the world's most sought-after markets, drawing new companies and investments with a combination of sizable populations, rising incomes, developing market institutions, and emerging middle classes. For businesses, sustained growth in these BRIC markets is a foregone conclusion, a given that has led many to look for even newer growth markets in Africa, the Middle East, and South America and across much of Asia.

No doubt multinationals from around the world will continue to play a critical role in the ongoing progression of the BRICs and other emerging economies. After all, the countries that have cut themselves off from the global economy and outside investments have seen their economies suffer for it. Yet no national economy can thrive on outside investment alone. Inevitably only the continued rise of domestic companies, reliable market institutions, and a combination of domestic and international trade can sustain the development of these key emerging economies.

The developing BRIC economies can boast a growing roster of home-grown champions that are leading the way. The likes of Tata (India), Gazprom (Russia), Sinopec (China), and Petrobras (Brazil) have long established themselves as globally recognized brands. They challenge even the greatest of multinationals in terms of expertise, innovation, and leadership in their industries. They've set the standard for business in emerging markets. They are the vanguard.

They are not, however, the ticket to broader economic development, at least not on their own. The true power that is fueling genuinely sustainable growth in these markets is coming from the large but often overlooked tier of successful companies and brands that, while not yet household names worldwide, have posted long-term growth rates far higher than those of most of their counterparts in both emerging and developed economies. These companies, including the rough diamonds identified in this book, provide the supporting foundation

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