
Preface

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Biographical notes: Ibrahim Akoum, Associate Professor in the College of Business Administration at Hariri Canadian University, has over 25 years of professional experience including senior positions in international and regional development organisations such as the World Bank and the Arab Monetary Fund. He has served as economic advisor to various government bodies in the MENA region, and has extensive consulting experience with regional and international development organisations and governments including the United Nations, the Union of Arab Banks, and Dubai Council for Economic Affairs. He has published books and articles in international refereed journals, and has written extensively in professional specialised business periodicals.

The papers of this issue examine an important aspect of global business advancement, namely competitive advantage in varying sectors, in particular the banking industry, the manufacturing industry, and the services sector. As such, a broad common theme can be identified, that is competitive strength and its impact on performance of business enterprises.

Adopting a strategic branding perspective, the first paper by Vrontis and Thrassou examines the rebirth of Commandaria, the oldest wine appellation in the world. Using in-depth interviews, secondary data search, and theoretical research, the authors endeavour to provide a theoretical basis and contextual foundation for the commercial rebirth of the company and the reconstruction of its brand. The paper presents a number of descriptive conclusions, the first being that branding is imperative for business success. Secondly, collaboration with other industries such as tourism, and possibly government support, is significant with regards to marketing, branding, and perception management. In addition, branding ought to be associated with more than the quality of the product itself but with things such as the lifestyle and history. The paper further concludes that it is useful for wine marketers to understand the competitive environment and to identify who are the true competitors.

The second paper, by Akoum and Haron, highlights the cutting edge aspects of Islamic banking and corporate governance, and discusses aspects that need further development and study in order to ensure sustainable development of the provision of Islamic financial services and products. The authors assert that as Islamic banking evolves and expands, the need to tailor more suitable corporate governance structures grows in light of the distinctive aspects that distinguish it from conventional banking. Arguing that the lack of clear and appropriate corporate governance structures attuned to the specificity of Islamic banking would undoubtedly hinder the growth potential of this industry and cast shadow on its ability to compete and prosper. The paper concludes that

for it to grow and expand, Islamic banking should tackle successfully the challenge of strengthening regulation without stifling innovation. In particular, it has to improve disclosure and transparency to improve the relatively low ratings, investment-account holders (IAHs) need to be better protected, and carrying out Islamic banking requires qualified human resources and experts equipped with both good financial skills and understanding of the groundings of the Shari'a rules.

The third paper, by Abdul-Aziz and Nor Azmi, focuses on the competitive strength of the services sector, in particular internationalisation of architectural firms. In particular, it seeks to determine the motives of Malaysian firms, efforts to internationalise, their competitive strengths, countries they penetrated, the locational factors they considered before entering foreign markets, and methods of securing work and market entry modes. The authors note that the Malaysian government has announced that by 2012 all services sectors would be exposed to unbridled international competition, hence the need for local firms to pursue business opportunities abroad. Using a mixed method – postal questionnaire sequentially followed by interviews – to collect data to improve the analytical power of the study, a number of country-specific competitive advantages were tested in the study such as mutual recognition of professional qualification, well-developed and competitive industry, rapid economic development, national leadership, Malaysia's image, and memberships of economic groupings. The findings of the paper indicate that the sampled firms internationalised at different pace using various pathways, mainly depending on top management judgement and chance and that quality of service and mutual recognition of professional qualification were the highest ranked firm-related and country-related competitive strengths, respectively. But while the authors highlighted the role networks played role in securing overseas work and entering foreign markets, they held that their greatest concern with host countries was political stability.

The fourth paper, by Hilman and Mohamed, studying competitiveness of the manufacturing industry, examines building new competitive advantage through specific match between types of strategy flexibility and sourcing strategy. Arguing that technological advancement is intensifying competitiveness of the manufacturing industry, the authors highlight the need for better performance through better strategic choices. Based on analysis of a mail survey approach, the results clearly indicate that specific strategic flexibility with specific sourcing strategy produced better organisational performance. Specifically, the paper concludes that the make strategy mediates partially the relationship between the related product diversification strategy and organisational performance. The results also indicated the buy strategy mediates partially the relationship between the unrelated product diversification strategy and organisational performance.

The paper by Hanifah and Mohamed also tackles the issue of competitive advantage from a different angle and assessing a different industry. It explores the value configuration processes and relationship with resource management on manufacturing companies in Malaysia. In particular, the authors seek to answer the question: to what extent firms will do value configuration to achieve competitive advantage. To that end, applying primarily the triangulation method on qualitative data, the paper tries to answer two operational research questions, namely to what extent do firms adopt the resource management framework, and how do firms' structure, bundle, and leverage their organisations' resources, respectively. The paper concludes that the value chain framework fits well to understand how manufacturing companies manage their resources and do value configuration so as to develop and maintain competitive advantage. The paper also

stresses that a manager should know where, how and why values need to be created within the company and that it makes contribution from the managerial standpoint, especially in the line of strategic management where the drive to be better than the competitor is a never ending task.

Finally, Yu and Kwan use Austrian theories of entrepreneurship to explain the dynamic success of the Hong Kong's Li & Fung, one of the largest providers of consumer goods in the world. Building on the contributions of pundits in the field of entrepreneurship and market process, the authors seek to integrate these contributions to obtain a theory of global coordination and apply it to Li & Fung. Consequently, the paper contends that though the company hardly hires any workers or owns raw materials, machinery or factories for manufacturing household products, it has been able to gain pure profit by linking up and coordinating most efficient and cheapest manufacturing processes in different parts of the world. The paper concludes that the company is a successful international coordinator which transmits, integrates, and creates knowledge around the globe.

In a globalised business environment manifested by relatively freer capital flows, larger trade volumes, contagious financial crises, and intense competition, business enterprises are increasingly facing conditions requiring them to face up to these competitive forces whether they are engaged in foreign markets or not. As such, compliance with international standards and codes, adopting quality control criteria, and business sustainability in face of greater liberalisation have all become major ingredients of a stark reality confronting international managers. The papers included in this issue are important attempts to shed light on how to strengthen business competitive advantage in such a globalised environment.