



# Exploring Strategy Workshop – Part 2 June 2025

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# The role of AI in Open Strategy: Another voice in the strategy process

- work in progress -

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# The role of AI in Open strategy

*Up until now the strategists were assumed to be in the TMT*

*Up until now the strategists were assumed to be human*

*But the world of strategy has changed...*

**“Open strategy”** (Hautz, Seidl, & Whittington, 2017) → benefits derived from transparency and **inclusion** (Hautz et al., 2017; Whittington et al., 2011) → **Chapter 17**

facilitated by a wide range of **digital technologies** (Morton, Wilson, & Cooke, 2020; Mount, Clegg, & Pitsis, 2020; Ortner, Hautz, Stadler, & Matzler, 2024), that allow collection, aggregation and evaluation of the input of a larger group of individuals in the strategy process

**AI** - *“algorithmically based applications that perform the cognitive tasks associated with humans, often incorporating some form of machine learning”* (Anthony, Bechky, & Fayard, 2023, p. 1672)



# The role of AI in Open strategy

*“AI may increasingly play a significant role in the generation and evaluation of strategies.”*  
(Csaszar et al 2024)

## Matches or surpasses human experts in strategy related tasks

- ***ideation*** (Boussioux, Lane, Zhang, Jacimovic, & Lakhani, 2024; Brynjolfsson, Li, & Raymond, 2025; Dell'Acqua, McFowland III, Mollick, Lifshitz-Assaf, Kellogg, Rajendran et al., 2023; Girotra, Meincke, Terwiesch, & Ulrich, 2023; Otis, Clarke, Delecourt, Holtz, & Koning, 2024; Stadler & Reeves, 2023)
- ***business model generation and evaluation*** (Csaszar et al., 2024; Doshi, Bell, Mirzayev, & Vanneste, 2025)
- ***pattern recognition*** (Choudhury, Allen, & Endres, 2021)
- ***prediction*** (Cowgill, 2019)
- ***scientific problem solving*** (Boiko, MacKnight, & Gomes, 2023)
- ***creative problem solving*** (Boussioux et al., 2024)



# AI in Open strategy – the role of inclusion



## **AI - A new digital tool in the strategy process**

- Use it to perform analysis, evaluation,
- inability of users to unpack how AI works, due to its invisibility, opacity and changing nature, may disrupt interactions between users and AI technology (Anthony et al., 2023).

## **AI – A medium for enabling interaction between multiple actors in the strategy process**

- not only allow knowledge sharing and facilitate communication across actors but also help to make joint sense of this knowledge and information, building common ground and support collaboration (Anthony et al., 2023; Ortner et al., 2024)

# AI in Open strategy – the role of inclusion



# AI in Open strategy – the role of inclusion

## AI – A “new” non-human relational actor across the strategy process

- emphasize the **dynamic and active influence** of AI in the strategy process
- **interaction:** AI shapes and influences the way **other actors** in the strategy process **think, reason, work, execute tasks and interacts with** others in the organization. → bi-directional use there is a **“relation”** between the human and AI (Murtinu & De Massis, 2025)
- TMT meetings producing genAI output (Stadler & Reeves, 2025)



# AI in Open strategy – the role of inclusion

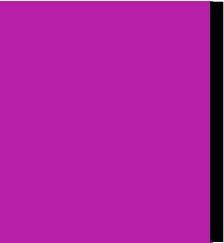
## AI as an actor in strategy generation and evaluation

- Openness should bring more **cognitive diversity**
  - AI → **more incremental search space** proximal to existing solutions rather than exploring highly novel spaces
  - excessive dependence on current LLMs might undermine diversity (Boussioux et al., 2024; Dell'Acqua et al., 2023; Doshi et al., 2025)
  - training of LLMs occur on vast amount of data mostly unrelated to a focal firm or decisions (Doshi et al., 2025).
- **ensure diversity, scale and heterogeneity** of created output:
- repeated and purposefully prompting
  - using different LLMS
  - silicon sampling” (Argyle, Busby, Fulda, Gubler, Rytting, & Wingate, 2023)



# How multinationals can navigate local rules

Patrick Regnér



# International strategy

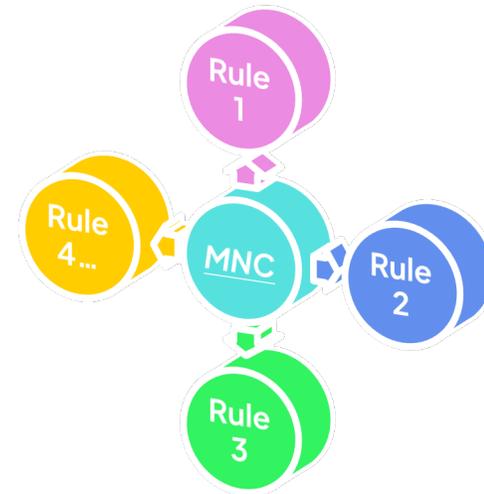
- **Liability of foreignness:** Local firms with advantage...
  - Established customer and supplier relationships
  - Familiarity with local rules / institutions.
- **Foreign entrants must...**
  - Have significant firm-specific competitive advantages.
  - Have geographic advantages (locational, international value systems).
  - Adapt to local rules / institutions.

# Foreign local formal and informal rules

- **International rules:** Laws, regulations, customs, norms, business practices, etc.
  - Becoming even more important: Escalating trade restrictions and barriers.
  - Often missing altogether: Distant and emerging markets.
- ***Formal* rules:** Laws, regulations, etc. (by government or industry)
- ***Informal* rules:** Customs, norms, beliefs, practices, etc.
- **Common assumption:**
  - Constraining
  - Rigid
  - Conformity pressures: Adaptation!

# New research on MNCs and local rules / institutions

- **Adaptation to local rules:** Risk losing the very basis for internationalization and advantage over local competitors – International integration advantages across markets (scale-, technological-, innovation-, etc. advantages)
- **Alternatives to adaptation:**
  - Agency towards...
  - Pro-active management around...
  - Strategic responses vis-à-vis...  
...formal and informal rules.



# Research: Strategic management of local rules

- **A passive stance can be harmful:**
  - **Ignoring and thus breaking rules:** Risk undermining the whole business and even being pressured to exit.  
E.g.: Uber and Airbnb banned or restricted in multiple countries.  
  - **Inactive compliance with rules:** Risk diminishing MNC competitive advantage and basis for internationalization.  
E.g.: If Spotify had adapted to US music industry conformity pressures. 
- **A proactive stance is enabled by:**
  - **Host country conditions:** Ambiguous, developing or non-existent rules.
  - **MNC characteristics:** Multinationality – allows for arbitrage, innovation, etc.; Foreignness – allows for odd behavior, and Power – influence.

# MNCs navigating local rules

- In-depth study of five globally successful Scandinavian firms.
- Operations across five international markets.
- Over 90 managers interviewed; 400 documents.
- Investigating strategic management of both formal and informal rules.

Harvard  
Business  
Review

International Business

## Research: How Should Multinational Firms Navigate Local Rules?

by Patrick Regnér and Ivar Padrón-Hernández

September 19, 2024



Yagi Studio/Getty Images

**Summary.** When multinational firms enter new markets, they have to choose how to manage the formal and informal local rules that can vary greatly. Local institutions and rules matter, and there are clear risks for top executives at headquarters who don't take them seriously. But constantly adapting to local practices could jeopardize a company's ability to integrate operations across markets. A study of five globally successful Scandinavian companies identified six tactics that firms can use to address local rules while maintaining competitive advantage: Avoid, alter, adapt, imitate, influence, and innovate. [close](#)

# Six tactics navigating local rules



1. **Influence** – adjusting existing rules to ensure fit, for example by nudging local lawmakers and industry associations to redirect discussions around rules to be in line with the MNCs business practices.

**Volvo Trucks:** A Swedish global truck corporation changing rigid beliefs and norms among US fleet owners, distributors, and other industry actors from picking and choosing between components from different manufacturers and instead adopting Volvo's automated integrated manual transmission.

2. **Alter** – replicating previous adjustments made in other markets with similar local rules.

**Volvo Trucks:** Based on German experiences tweaking their technology slightly for France to fit local practices and rules.

3. **Avoid** – ignoring or bypassing local rules and keep to MNC's usual business operations.

**Autoliv:** Exploiting its outsider Swedish position in the US when introducing airbags – highly controversial and questioned by the US auto industry at the time.

## Six tactics navigating local rules



### 4. **Imitate** – entering international markets where there already is a fit.

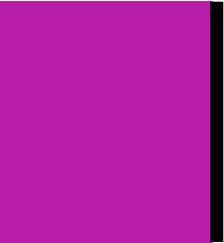
**DeLaval:** A Swedish global dairy farming equipment company entering France by utilization of local informal rules related to approaches in other markets.

### 5. **Innovate** – actively managing formal and informal rules and strive to create a better fit with local ways of doing business.

**Ericsson:** Entering Middle Eastern, Asian, etc. markets by actively assisting local governments to develop technical requirements, legal standards, etc. for and local perceptions of mobile telephony.

### 6. **Adapt** – to conform to host-country norms and expectations, but not necessarily reducing competitive advantages.

**Tomra:** A Norwegian global recycling machinery company concentrating on US states that had or were about to introduce legally mandated beverage deposits before rolling out across the U.S.



## Teaching strategic management of foreign rules

- Section 10.3: Liability of foreignness; Firm specific and geographic sources of advantages
- Section 10.5.1: Country and market characteristics – including institutions / rules (e.g., CAGE, PESTEL)
- Illustration 10.4 (ed. 14): ‘CEOs McKlay and McKenna turn around the world’s largest retailer’s international operations’
- Thinking Differently: ‘Navigating foreign rules’ (Ch. 10, ed. 14):
- Mini case: ‘Tomra’s institutional challenges’ (Ch 10)

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**Swap Shop**

**Richard  
Whittington –**

**and YOU!**

# Swap Shop:

## Sharing challenges and swapping solutions

Our asks of you:

- What are your greatest teaching and related challenges?
- From colleagues, what are some possible solutions?
- And: what have you tried recently that is really cool....?

