

Windesheim makes knowledge work



# 1st conference on *Business Diplomacy*

DEALING WITH GLOBAL LEGITIMACY CHALLENGES IN INTERNATIONAL BUSINESS



# Colofon

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# Foreword by Huub Ruël

*Professor of International Business at Windesheim University of Applied Sciences*

Doing business internationally is not only about having a good business strategy and dealing with business partners and customers, it is also about building relationships with non-commercial stakeholders such as governments, NGOs, local communities and interest groups. That is not news to multinational companies. However, building long-term relationships with non-commercial stakeholders demands more than corporate social responsibility (CSR) for example, it requires business diplomacy.

However, what exactly is business diplomacy, how is it enacted, how should it be enacted, and what are the consequences for the performance of the multinational company? These are questions that have received too little attention from scholars and practitioners.

Especially today, when many multinational companies are criticized for 'behavior' such as tax evasion, human rights violations, overactive lobbying and a lack of care for climate change and the

environment, increasing our knowledge and insight on business diplomacy is timely.

I am very happy that after two earlier seminars on business diplomacy, one in The Hague at the Clingendael Institute in 2012 and one in Brussels in 2014, we are now making an upgrade to a truly international conference on business diplomacy. This conference is just the start of a longer-term, international community-building process of scholars and practitioners to explore business diplomacy.

Looking forward to a bright future for this community,

**Huub Ruël**

*Professor of International Business*

Windesheim University of Applied Sciences  
(Zwolle, The Netherlands)

# Foreword by Albert Cornelissen

*President of Windesheim University of Applied Sciences*

International trade and business is crucial for economic growth. Nations and multinational companies are important actors in today's global economy. They provide goods or services and contribute in this way as innovators for creating jobs. Our global economy is changing rapidly and is becoming more complex. Asia has become a 'centre of gravity' in the field of international business, African countries are emerging on the world market. New business approaches, instruments and skills are necessary elements to build relationships with multiple stakeholders in the international arena, such as governments, NGO's, interest groups and local communities. This is where business diplomacy comes into play.

I am very proud and pleased that Windesheim University of Applied Sciences organizes the first international Business Diplomacy conference. Scholars and professionals from around the world are participating and presenting their views and research on this

subject. What is business diplomacy exactly? How do multinational enterprises conduct business diplomacy? What kind of business is involved in business diplomacy? And how does business diplomacy look like in emerging markets?

THESE questions are more than relevant and need exchange of views and discussion amongst scholars and professionals present. I hope that this conference will bring some answers and that it will be the start of a long term relationship between Windesheim and experts worldwide.



# Conference program

*Program - December 4th – Windesheim University of Applied Sciences, Zwolle, The Netherlands*

## Morning program

<b>9:00 - 9:30</b>	Welcome by prof. dr. Albert Cornelissen – President of Windesheim University of Applied Sciences and dr. Huub Ruël – Professor of International Business at Windesheim University of Applied Sciences
<b>9:30 - 9:50</b>	Setting the stage: International Business & Diplomacy - 'So you think you can dance?' by Professor Donna Lee – professor of Political Economy / Dean of faculty of Social Sciences – University of Bradford (UK)
<b>9:50 - 10:35</b>	Professor Ross Harrison – Professor of International Business Diplomacy in the Walsh School of Foreign Service, Georgetown University (Washington DC, USA).
<b>10:35 - 11:10</b>	Professor Roel Nieuwenkamp - Chair of the OECD Working Party on Responsible Business Conduct / University of Amsterdam
<b>11:10 - 11:25</b>	Coffee break
<b>11:25 - 12:10</b>	Mr. Christopher Nason – Director Corporate Intelligence at PwC
<b>12:10 - 12:55</b>	Mr. Bas Dobbelsstein - Manager Public Affairs at GDF Suèz Energy Netherlands
<b>12:55 - 14:00</b>	Lunch

Afternoon program		Academic stream	Practitioners' stream
14:00 - 15:00	Parallel sessions	Conceptualizing Business Diplomacy	Business Diplomacy in BRIC Countries
15:00 - 16:00	Parallel sessions	Business Diplomacy Competences	Sub-national Business Diplomacy
16:00 - 16:30	Break		
16:30 - 17:30	Parallel sessions	Teaching Business Diplomacy	Businesses Driving Business Diplomacy
17:30 - 18:15	Plenary session with Drinks and Bites: by Professor Donna Lee and Professor Raymond Saner Announcement of 2nd conference on Business Diplomacy by Huub Ruël Best Paper Awards Ceremony by president of the university - Prof. dr. Albert Cornelissen		
18:15	End of conference		

For a detailed program of the parallel sessions, please see the next pages.



# Detailed program Parallel Sessions

*1st Conference on Business Diplomacy, Windesheim University of Applied Sciences*

## **Session 1 (academic stream): Conceptualizing Business Diplomacy**

*Windesheim Building F, Room F0.14, 14:00 - 15:00*

**Paper presentations (Chair: Donna Lee)**

- Business Diplomacy... how do they do it? - An exploratory study by **Jolanda Knobel**
- Business Diplomacy in the context of partnerships for sustainable development by **Lichia Yiu**
- International Business Diplomacy: A strategy for increasing MNCs' performance? by **Huub Ruël** and **Luisa Suren**

## **Session 2 (practitioner stream): Business Diplomacy in BRIC Countries**

*Windesheim Building F, Room F0.20, 14:00 - 15:00*

**Papers presentations (Chair: Raymond Saner)**

- Intersection of roles between States and Multinationals in emerging markets by **Doudou Sidibé** and **Raymond Saner**
- Business Diplomacy Language: An Exploratory Study by **Dinand Warringa**

- Incorporating Education into Business Diplomacy by **Jack Jan Chenhuan**
- Business Diplomacy in Brazil by **Joseph Marques**

## **Session 3 (academic stream): Business Diplomacy Competences**

*Windesheim Building F, Room F0.14, 15:00 - 16:00*

**Paper presentations (Chair: Huub Ruël)**

- Business Diplomacy in a Consular Format: extra-governmental players' supply and demand for diplomatic services by **Guilherme Nobre** and **Nela Filimon**
- International Business, Business diplomacy and the role of a commercial diplomat by **Roman Holý**
- Business Diplomacy Management: Making Business Diplomacy Business as Usual by **Debbie Rosario** and **Jim Hill**



## Session 4 (practitioner stream): Sub-national Business Diplomacy

*Windesheim Building F, Room F0.20, 15:00 - 16:00*

### Paper presentations (Chair: Jan Melissen)

- Spanish Business Diplomacy in the IBEX35 by **Juan Luis Manfredi**
- Business Diplomacy and the role of Trade Associations by **Peter Noordhoek**
- Business Diplomacy and Sub-national Governments Economic Relations: Complementary, Rivalry or both regarding to Central State? by **Pedro Conceição Parreira**
- Business Diplomacy is equally important for the multinational's global expansion as it is for the local companies' survival by **Valentin Preda**

## Session 5 (academic stream): Teaching Business Diplomacy

*Windesheim Building F, Room F0.14, 16:30 - 17:30*

### Paper presentations (Chair: Jennifer Kesteleyn and Ross Harrison)

- POSCO-India Project: A Business Diplomacy Fiasco by **Sanjay Sharma**

- Business Diplomacy in Practice: What companies and universities mean by business diplomacy by **Guilherme Nobre and Nela Filimon**
- Teaching Business Diplomacy at Georgetown University by **Ross Harisson**

## Session 6 (practitioner stream): Businesses Driving Business Diplomacy

*Windesheim Building F, Room F0.20, 16:30 - 17:30*

### Papers presentations (Chair: Donna Lee and Shaun Riordan)

- Business Diplomacy: An Innovative Approach to Global Supply Chain Protection? by **Shaun Riordan**
- Asymmetry and symmetry of power in negotiations between multinationals and governments: The case of Areva and **Niger by Doudou Sidibé**
- Business diplomacy by small and medium-sized MNEs: Navigating risks and managing legitimacy in foreign markets by **Zian Elsaht and Maureen Benson-Rea**
- The value of sport in economic diplomacy by **Ute Vrijburg**

# Keynotes

## Donna Lee

**Professor Donna Lee is Dean of the Faculty of Social Sciences, University of Bradford, UK.**

Donna is author of several books, journal articles and book chapters on economic and commercial diplomacy, small state political economy, corporeal capitalism, and international trade negotiations and development. She is co-editor of the Palgrave monograph series Diplomacy and International Relations, associate editor of the journal Global Society, and a member of the editorial boards of The Hague Journal of Diplomacy and the International Journal of Diplomacy & Business, as well as the Palgrave monograph series Public Diplomacy.

Donna works regularly with a number of foreign ministries, as well as the World Bank, the World Trade Organisation, the Commonwealth Secretariat, Oxfam, Advocates for International Development, and the Global Poverty Organisation.



## Ross Harrison

Ross Harrison is on the faculty of the International Business Diplomacy program in the Walsh School of Foreign Service at Georgetown University where he teaches courses in strategy. He is also a non-resident scholar at The Middle East Institute in Washington, DC. Ross is also on the faculty of the political science department at the University of Pittsburgh, teaching courses in Middle East politics. He annually teaches a course on strategy and international security to senior Georgian government officials at the Georgian Foundation for Strategic and International Studies in Tbilisi, Georgia funded by the U.S. Department of State.

Harrison authored *Strategic Thinking in 3D: A Guide for National Security, Foreign policy and Business Professionals* (Potomac Books- 2013), which currently is a required strategy text at the U.S. National War College, as well as at many civilian universities. He has lectured on matters related to strategy and as well as Middle East politics at the U.S. Department of State, the National War College, National Defense University, The Navy War College, the U.S. Department of State's Foreign Service Institute, Georgetown University and the Matthew B. Ridgway Center for International Security Studies. He has also been published in policy related journals such as *The National Interest*, *AI Monitor*, *The Middle East*

*Institute*, and *Parameters* (U.S. Army War College Journal), and has been quoted extensively in the *New York Times* on issues related to the Middle East. Harrison lives in Washington, D.C. with his wife Mahnaz.





## Christopher Nason

Christopher is a qualified Barrister with twenty years' corporate intelligence and political risk experience. He leads PwC 's Pioneer programme helping clients enter new and frontier markets.

He has extensive experience in working in emerging and frontier markets and providing independent support for clients.

His work has included political and security risk reviews, fraud and corruption investigations, reputational due diligence and new market entry strategy for clients in a wide range of sectors including energy, agriculture, natural resources, financial services, consumer goods, infrastructure, telecommunications and pharmaceuticals.



## Roel Nieuwenkamp

Roel Nieuwenkamp is Chair of the OECD Working Party on Responsible Business Conduct, an intergovernmental working group focusing on corporate responsibility. He provides leadership to OECD CSR programmes on the financial, mining and agricultural sectors and on conflict minerals. Prior to his current position, Mr. Nieuwenkamp was Chair of the OECD Working Party on International Investment responsible for the negotiations of the 2011 OECD Guidelines for Multinational Enterprises update. Before working at the OECD, Mr. Nieuwenkamp worked with the European Commission and was a consultant in New Zealand on the issue of results-oriented governance, as well as a management consultant at Arthur Andersen.

He served as Director for the Enterprise Directorate of the Dutch Ministry of Economic Affairs, before becoming Director of International Trade Policy & Economic Governance at the Ministry of Foreign Affairs of the Netherlands. His responsibilities included trade policy (WTO), investment treaties, corporate social responsibility, and the regulation of strategic goods. Mr. Nieuwenkamp studied Economics, Law and Philosophy at the Erasmus University Rotterdam. He has been a part-time Professor at the University of Amsterdam since 2010.



## Raymond Saner

Professor Raymond Saner, Professor Titular at the Economics Department of Basle University (WTO Dispute settlement negotiations) and at Sciences Po, Paris (Master in Public Affairs, Trade & Development; International Negotiations) and co-founder of CSEND, a Geneva based NGRDO (non-governmental research and development organisation (since 1993) and the director of CSEND's Diplomacy Dialogue branch.

His publications helped create the field of Business Diplomacy which straddles between the academic disciplines of political sciences (international relations) and management science (international management). He also contributed to the emerging field of the New Diplomacies (State actors (Ministries of national and sub-national governments) versus Non State Actors (International organisations, business, civil society).

Raymond Saner is co-chair of the Academic Friends of OECD's Responsible Business Code Guidelines.



## Bas Dobbelstein

Bas Dobbelstein is currently Manager of Public Affairs at GDF SUEZ Energy in the Netherlands. In this function, he is responsible for formulating, transmitting and securing national interests of GDF SUEZ on behalf of the board and advising the board on political developments, risk assessment and strategy.

Before he became a manager of Public Affairs at GDF SUEZ, Bas graduated in System Engineering, Policy Analysis and Management and wrote his master thesis at the Dutch Ministry of Economic Affairs. Bas has since then fulfilled several Public Affairs functions for corporate and governmental employers and he regularly gives guest lectures on the topic of Public Affairs.



# Participating researchers and abstracts



## **Debbie Rosario and Jim Hill**

### **Debbie Rosario**

Debbie began her career at the British retailer Marks and Spencer in Human Resources before moving into Information Technology where she was instrumental in establishing modern day Service Management practices. After 18 years at Marks and Spencer she moved to Compass Management Consulting where she was responsible for developing a number of the consulting methodologies and was appointed Head of Practice for UK Service Management, IT Service Continuity and Business Continuity. After leaving Compass Debbie jointly set up Aurora Partners with Jim Hill where they specialise in Business Diplomacy Management, Business Collaboration, Business Continuity and Service Supply Chain.

Throughout her career Debbie has had an interest in helping clients manage change and maximise the business benefits from IT within their organisation. Her background in Human Resources has given her a real insight into the People and Partner aspects of change and transformation. Whilst working on a number of international



projects Debbie became interested in how culture can affect project outcomes and it was this that sparked her interest in how Business Diplomacy can be integrated into day to day business functions.

During her career Debbie has worked with the Retail & Logistics, Financial Services, Aviation, Central Government and Construction & Engineering sectors and has written and contributed to many press articles on the subjects of Service Management, Business Continuity, Risk Management and Mitigation. In December 2014 she presented a paper to an international conference on geopolitical risk on how Business Continuity can benefit from engaging in Business Diplomacy.





## Jim Hill

Jim originally began his career at Granada Group where he worked in R&D, Production Engineering, Quality, Training and Supply Chain with responsibilities including problem solving, business process engineering and project managing the mobilisation of new service contracts. After 14 years at Granada he then spent 6 years working with the healthcare pharmaceutical companies Johnson & Johnson and Wyeth Europa initially in UK Programme Management roles and then International Programme, IS Operations and Compliance Management. From here he moved to the global supply chain logistics company DHL where he took on a number of global Programme Management roles. It was here that he met Debbie Rosario and after leaving DHL they jointly set up Aurora Partners where they specialise in Business Diplomacy Management, Business Collaboration, Business Continuity and Service Supply Chain.

Jim is both a Chartered IT and Chartered Quality professional. He has considerable experience working with clients in dynamic international environments where there is a continual need to respect process but expect change, solving problems and delivering

pragmatic solutions. This positions him well to understand how Business Diplomacy can assist companies, protecting and enhancing their reputation, improving profitability & value for money and driving change through insight, strategy and improvement activity.

During his career Jim has worked with the Healthcare, Pharmaceutical, Technology, Supply Chain, Construction & Engineering and Government sectors and has written a number of white papers and blogs on the subjects of Outsourcing, Reputation Management, Collaborative Working, Organisational Integrity, Service Standardisation and Big Data.

## **Abstract of Business Diplomacy Management: Making Business Diplomacy Business as Usual**

### **Purpose**

Examination of the Business School and academic literature reveals that whilst the concept of Business Diplomacy is well articulated the practicalities of how you integrate it into the everyday workings of an organisation are largely unaddressed. How to make Business Diplomacy legitimate for organisations is an underserved area and may explain why organisations have been slow to integrate Business Diplomacy into the fabric of their structure and realise its obvious benefits.

### **Design/Methodology/Approach**

This paper examines the adoption of Business Diplomacy Management a systematic, process based approach to Business Diplomacy that integrates it into the structure of an organisation and in doing so helps support business strategy, enhance reputation and increase profitability. By exploring how a business is typically struc-

tured, its functions and roles and how the “work” of that business is transacted the paper demonstrates how Business Diplomacy Management can be woven into the heart of the organisation.

### **Findings**

This paper demonstrates how the adoption of Business Diplomacy Management and investment in Business Diplomacy skills can provide a return on investment by reducing business risk, solving problems and exploiting opportunities. It outlines how easing the Business Diplomacy Management implementation path will, in addition to serving an organisation’s bottom line, also increase the uptake of Business Diplomacy Management within organisations.

### **Originality/Value**

This paper provides a practical guide for the uptake of Business Diplomacy Management in organisations written from the perspective of business practitioners.



## Dinand Warringa

Dinand holds a Master of Arts degree in Applied Linguistics (English and German) and is currently a lecturer of Business English within the Business School of Windesheim University of Applied Sciences. He also coordinates the International Consultancy elective, focusing on international business relations and diplomacy. As a researcher Dinand researched the linguistic varieties within Business Diplomacy, and, more specifically, investigated the existence of 'Business Diplomacy Language, i.e. a specific set of language features and behaviour that complements the academic notion of Business Diplomacy.

### Abstract of Business Diplomacy Language - An Exploratory Study

The importance of language in multinational companies (MNCs) cannot be underestimated. Aligned with their business objectives an increasing number of MNCs stress the importance of building and maintaining diplomatic, long-term relationships with their stakeholders, many of whom are not direct business partners but rather (non-)governmental stakeholders, and, specifically in the case of fashion MNCs, individual customers. The use of language within business diplomacy is implied, yet, to date, has not been fully identified as a research object.

This paper aims to identify the existence of business diplomacy language (BDL) and aims to define it accordingly, paving the way for more research into BDL.





## Doudou Sidibé

Doudou Sidibé is a Professor-researcher at Novancia Business School. He Holds a PhD in international relations at the University of Lyon 3 Jean Moulin. He teaches international negotiation, geopolitics, political communication, comparative politics in emerging countries and "business diplomacy". He is involved in several higher education institutions such as the University of Paris-Est Marne-La Valley, ENA Rabat (Morocco), the National Assembly of Cameroon in collaboration with ENA in France, the Schiller International University Paris-Campus, the University of Roehampton in London, Ecole de Guerre de Paris in collaboration with ESSEC Business School.

He has been a visiting scholar at The Institute of African Studies Columbia University, at SAIS Johns Hopkins University (2015) and at CPASS Georgetown University (2006). He is the scientific co-ordinator of the International Biennial on negotiation. He is author of several books and articles. He is member of several academic associations such as IACM (International Association for Conflict

Management), ICAM (International Conference on Advances in Management), IPSA (International Political Science Association), PIN (Processes in International Negotiation). He is member of the scientific committee of the Revue Négotiations.

### **Abstract of Asymmetry and symmetry of power in negotiations between multinationals and governments: The case of Areva and Niger**

This article is a case study that examines the asymmetry of power between the government of Niger and Areva concerning the renewal of their partnership which lasted 40 years. The weakness and instability of the state of Niger, and a deficit in terms of democracy and trans-parency are factors which long influenced negotiations between the two actors and deter-mined the distribution of power between them. But results shows that change because it is the first time that the country has made such a breakthrough in negotiations about its uranium deposits.





### **Abstract of Intersection of roles between States and Multinationals in emerging markets**

The aim of this chapter is to describe and discuss the growing intersection of roles and functions between states and multinationals in the field of diplomacy and how diplomatic skills are needed to support transnational companies in their search for markets in emerging countries. Transnational enterprises face multi-stakeholder engagements in the BRICs and increasingly employ techniques and strategies similar to the repertoire of tools used by diplomats and foreign affairs departments. Given the rapidly changing international business environment, we can observe the emergence of private commercial diplomacy.

This article provides a detailed analysis of these new developments and seeks to explore the negotiations between multinational corporations and states, between multinationals and other stakeholders (local authorities, traditional leaders, NGOs etc.) and between multinationals. This analysis will focus on multinationals in emerging countries ( Brazil, Russia, India, China).

## Guilherme Nobre and Nela Filimon

### Guilherme Nobre

Guilherme has graduated in Economics with a monograph on GATT and Agriculture at Federal University of Minas Gerais, Brazil. He obtained his master in Economics with a dissertation on Environmental Economics at Federal University of Paraná, Brazil. After reading some works from D. N. McCloskey he has decided to change and got his doctorate with a thesis on Political Communication at University of São Paulo, Brazil. After his PhD he started a business in media training and serviced some companies such as Philips Brazil, Philips LATAM, Banco do Brasil, Infraero, and so forth. When accepted by the Programme Brésil-Grenoble, he went to France to do a 18 months post doctorate in Communications. In 2010 he moved to Canada and started an one year research in Communications at McMaster University as visiting scholar, and got informed about CDC International – a consulting firm at Ottawa that was offering services on business diplomacy. After trying to contact and work with CDC and APCO (at USA), he decided to launch Glenobre Diplomacy ([www.glenobre.com](http://www.glenobre.com)) to help Brazilian investors to access the Canadian market and vice-versa. In Brazil Glenobre made a partnership with Rede Inform, a Public Relations



firm at São Paulo. Currently he is in Spain, carrying on a research on Creative Economy at University of Girona.



## Nela Filimon

Nela Filimon is an Associate Professor in Business Economics at the Universitat de Girona, Spain, in the Economics Department. She started working on issues related to cultural consumption from a consumer's perspective after getting her PhD in Economics from the Universitat Autònoma de Barcelona - Spain in 2004. Her current research interests are related to cultural economics and management issues, cultural audiences, sociology of consumption, social impact of the arts and creativity in the digital environment. Her research was published in the Journal of Cultural Economics, Social Science Computer Review, Poetics, Procedia –Social and Behavioral Sciences, Sociological Review, and in books like Advances in Sociology Research (ed. J.A. Jaworski) and Cultural Economics: New Aspects and New Trends (ed. O. Alfranca), among others.

## Abstract of Business Diplomacy in a Consular Format: extra-governmental players' supply and demand for diplomatic services

The purpose of this paper is to set business diplomacy in a historical perspective, showing how such activity has been performed since the ancient Greece. The work is structured in nine sections, plus an introduction and a conclusion. The first section introduces the Greek proxenos, probably the pioneers on business diplomacy. The historical consuls are presented by the second section. The diplomacy in itself is treated by the third section.

The fourth section approaches the honorary consuls, while the fifth section works with the chambers of commerce. The sixth section tries to see diplomacy as an industry, a fact due partially to its 'societization'. Some definitions of business diplomacy are drawn at the seventh section, and the concept of consulariate is brought to light at the section eight.



Finally, section ninth deals with the challenges for the global legitimacy. Some remarkable findings include the following: business diplomacy has been done for centuries; nowadays is still performed by honorary consuls and chambers of commerce; it is evolving to corporations either as their main activity or as an auxiliary one; and is a key tool and mindset to secure legitimacy to corporations operating globally. The paper is original to propose new terms to business diplomacy: consulariate instead of consulate (devoted to business), chancellariate instead of embassy (devoted to political affairs).

### **Abstract of Business Diplomacy in Practice: What companies and universities mean by business diplomacy**

This paper focuses on the role played by both companies and universities on the dissemination of business diplomacy. The theoretical framework explores the interplay between business and diplomacy offering a literature review over the concept of business diplomacy. A special section is out-looking the partnerships between companies and universities as a promising feature to

help with the legitimacy challenges under globalization. With an exploratory analysis technique, we have surveyed the websites of twenty-two companies and twenty universities and institutions, belonging to various countries, engaged in activities related to business diplomacy (i.e., courses at different stages of the academic curricula, workshops, seminars, training courses, etc.). The analysis was primarily meant to give us a better understanding of the concept of business diplomacy and of the various meanings associated to it.

The results, so far, indicate that in both cases the practiced concept of business diplomacy converges to the canonical set of diplomatic functions. An additional value added of the paper consists of looking at the business diplomacy issue beyond a mere auxiliary activity. We offer also a detailed presentation of diplomacy's main functions and adjuvant activities, with the purpose of advancing organizational charts' structures and academic syllabi offering.

## Huub Ruël

Huub Ruel is a professor of International Business at Windesheim University of Applied Sciences. The research focus of his international business research group is commercial and business diplomacy, in particular internationalization instruments used by the network of governments and businesses. Ruel's work has been published in international refereed journals, he published several edited books, and organized international conferences. He currently is the associate editor of the International Journal of Diplomacy and Economy.

### **Abstract of International Business Diplomacy: A strategy for increasing MNCs' performance? A systematic review on the basis of five European MNCs**

The aim of this paper is to conceptualize and identify the relationship between Multinational Corporations' (MNC) international business diplomatic activities and firm performance. The research is based on a literature review and interviews with five large MNCs that are operating in distinctive industries. Business diplomatic activities have been classified into three particular areas to support the analysis, namely: (1) MNC-Non-Governmental Organization (NGO) relations, (2) MNC-Host Government relations, and

(3) MNC-Local Community relations. The main findings suggest that international business diplomacy has a direct positive effect on firm performance with regard to so-called soft or non-financial indicators. These indicators include knowledge sharing, reputation, company image and marketing possibilities. The effect can in turn lead to a better financial performance and market stance in the long run. The results of this study are important for the future awareness and execution of business diplomacy in large MNCs.









## Jack Jan Chenhuan

Dr. Jack Jan currently serves as founder and director of Taiwan-U.S. Commercial & Cultural Center and a faculty of Department of Commerce Automation and Management of National Pingtung University. In addition, he is also the chairman and founder of Taiwan-U.S. Commercial Forum organized by American Institute in Taiwan (AIT) and National Pingtung University and a Governor of American Chamber of Commerce in Kaohsiung to promote business co-operations as well as diplomatic relations between Taiwan and the United States.

Dr. Jack Jan has served as chairman of Department of Commerce Automation and Management at National Pingtung Institute of Commerce, , dean of General Affairs at National Pingtung Institute of Commerce, dean of Evening school at National Pingtung Institute of Commerce and Visiting assistant professor at the University of West Florida.

Dr. Jack Jan is a practitioner of Business Diplomacy working closely with agencies of U.S. government and Taiwan government. He serves as chairman of Taiwan-U.S. Commercial Forum bridging Business with both agencies of U.S. government and Taiwan

government. He received awards and certificates of appreciation from U.S. governments for the achievement of performance on bilateral relationships. The research interest of Dr. Jack Jan involves Business Diplomacy, Relationship Marketing, Marketing Strategy and Business Communication.

## Abstract of Incorporating Education into Business Diplomacy Purpose

This paper is to explore the strategy of incorporating education into Business Diplomacy to enhance the performance both in business and diplomacy.

### Design

Two major activities organized by the education sector are designed as strategies to implement the concepts which are "Taiwan-U.S. Commercial Forum" and "AIT Business Writing Contest". Taiwan-U.S. Commercial Forum is used as the strategy and is similar to the event in USA organized by American Marketing Association, Georgetown University and US Department of Commerce. AIT Business Writing Contest is organized by American Institute in Taiwan to express concern of younger generations.

**Findings**

Foreign embassies and agencies stationed in the host nation who participate would benefit bilateral business as well as the relations with local governments through Taiwan-U.S. Commercial Forum. AIT Business Writing Contest expresses the concern of our next generation from U.S. government agencies in Taiwan focusing on business education and practices which is highly appreciated by our government, students and parents. Events incorporated with Business Diplomacy from government agencies are helpful to international business in Relationship Marketing, Corporate Social Responsibility and Strategy Management.

**Value and Practical Implications**

The strategies and achievements are the only ones of its kind with U.S. agencies to encourage more related activities of Business Diplomacy throughout Asia including China to make better developments to both business and diplomacy among countries. Furthermore, cooperation over confrontation through communication of Business Diplomacy is another ultimate goal of the activities.



## Jolanda Knobel

Jolanda holds a Master of Arts degree in Communication and a Bachelor in Business Management. She is doing research at the Business School at Windesheim University of Applied Sciences on International Business Diplomacy. Her last contribution to the body of knowledge of this topic is a qualitative study on the identification of business diplomacy instruments and a quantitative study on the influence of business diplomacy on the firm performance of an organization. Jolanda is also a lecturer in International Business, Business across Cultures, Business Management and Human Resource Management at the Business School.

### **Abstract of Business Diplomacy... how do they do it? - An exploratory study**

Today's international business environment is very dynamic and volatile due to severe competition, more multinational businesses, especially from Asia, entering the international market, violent conflicts and wars in critical regions in the world and a rather unpredictable world economy after the financial crises. On top of that multinational enterprises are under international scrutiny due to use of tax avoidance schemes, international labour regulations. Being able to deal with non-market parties such as foreign governments, international NGOs, local communities and interest groups





has become more important than ever before. This requires an approach that goes beyond stakeholder management, it requires business diplomacy, since multinational enterprises have become players in the international diplomatic arena.

MNCs nowadays acknowledges that to succeed a solid business diplomacy strategy plays an crucial role. Interesting is to study how MNE's actually conduct business diplomacy to deal with their multiple external stakeholders. This study aims to get an in-dept understanding of which business diplomacy instruments experienced Dutch MNCs use to respond to the unique parameters of the foreign economic and institutional environment to establish and maintain long-term relationships. What types of dialogues are they deploying , with what aims? In other words... how do they do it? Based on the findings this paper wishes to offer MNCs a set of business diplomacy instruments to take in consideration when defining their business diplomacy strategy in order to establish and maintain long-term relationships with their foreign non-market partners in foreign business environments.



## Joseph Marques

Dr. Joseph Marques obtained his Ph.D from the Graduate Institute of International and Development Studies in Geneva in 2009. He has been a Visiting Research Fellow at the Centre for Latin American Studies at the University of Oxford and at the Brazil Institute at King's College, London. Dr. Marques is currently teaching at the Geneva School of Diplomacy and International Relations and at the University of Applied Science of Western Switzerland in Yverdon-les-Bains.

He has extensive professional experience in international banking having worked in the United States, Latin America and Europe. Current research interests include Brazilian foreign policy, the expansion strategy of Brazilian multinationals, emerging powers and global governance, and the internationalization of Chinese and Brazilian banks.

## Abstract of Business Diplomacy in Brazil

Brazil has recently emerged as a growing economic and diplomatic power. The country's heightened visibility as a member of the BRICS group and promoter of soft power has been accompanied by the emergence of a new entrepreneurial class which now begins

to challenge the Foreign Ministry's (Itamaraty) near monopoly over the management of the country's foreign relations. This paper examines the interaction between Brazilian business diplomats and their governmental counterparts. The behaviour of Brazilian business elites in international affairs remains largely unexplored.



This paper contributes to the literature on business diplomacy and contributes to the empirical research on this topic while arguing that Brazil's aim to become a global economic and diplomatic power cannot be successful without the contribution of the major sectors of civil society including the business community. The speed of global economic change has outpaced both the private sector and Itamaraty's capacity to adapt to the new international environment. Itamaraty is victim of its own pattern of socialization and has remained relatively closed to external influence. Both the public and private sectors have suffered from the absence of effective channels of communication and strong leadership as well as from an inefficient process of interest aggregation and the lack of ample public debate regarding Brazil's national interests.

The expansion of entrepreneurial civil society will help change the traditional foreign policy and diplomatic process in Brazil. How Brazilian business diplomats contribute to policy-making in Brazil as well as how they navigate between the boundaries of international business, diplomacy and foreign policy are important questions for a country concerned with its international role and its goal of becoming a key actor in the international arena.

## Juan Luis Manfredi

Juan Luis Manfredi Sánchez is Senior Lecturer at the University of Castilla-La Mancha and teaches International Communication and Media Policy, and Associated Researcher at Real Instituto Elcano, leading Spanish think tank. He leads "Media Pluralism Monitor in Spain", a project based at the European University Institute of Florence financed by the European Commission. In 2014, he organized "Entrepreneurial Journalism, a renewed hope", a seminar for journalists and scholar to search for new opportunities in innovation, entrepreneurship, free speech and digital media. He leads a community of interest around such opportunities.

He has been the scientist in charge of the Spanish research team from MEDIADEM (European Media Policies Revisited: Valuing & Reclaiming Free and Independent Media in Contemporary Democratic Systems). He holds a PhD in Communication from the University of Seville where he also earned two degrees in Journalism and History. His thesis received a Special Distinction at the Blas Infante Prize (best work for Public Administration, 2002), the First Prize in Fundación Autor – SGAE Awards (best work on Communication Studies, 2006) and the First RTVA Prize (best work on Communication Studies, 2006). Dr Manfredi holds an International Executive MBA from the IE Business School and a Masters' in Media Business

Management from the University of Seville. He is a frequent contributor to Cinco Días, a business daily in Spain. He joined the Faculty of Journalism at the University of Castilla-La Mancha in 2011.



## Lichia Yiu

Dr. Lichia Yiu, co-founder and President of CSEND, a Geneva based NGRDO (non-governmental research and development organisation (since 1993) and the president of CSEND's Academy for Quality in Training and Education. Together with her partner Raymond Saner, they have initiated the topic of Business Diplomacy at the Academy of Management in 1997 and published the first article addressing the need for MNCs to more effectively interact with non-business stakeholders. Their research sheds light on the fact that traditional MBA education does not prepare MBA graduates for the complex relationships with the communities within which they operate. Another finding was that MNCs managers are not aware of the importance of standard setting international organisations and require more competence in the field of strategic governance issues.



## Pedro Conceição Parreira

Pedro Conceição Parreira, was born in Lisbon in 1976. Researcher since February 2000 at the 'Centre for Administration and Public Policies (CAPP),' ISCSP-University of Lisbon; and with several years of private sector, Consultant for (international) management areas at Novexa company.

His present research scientific domain is: IPE and compared governance of public and private institutions with particular interest with the sub-national state international economic actions;

- Previously he has taught International Political Economy and Political Economy at ISCSP - Technical University of Lisbon, since 2000 to 2012;
- He was visiting Fellow at United Nations University Institute on Comparative Regional Integration Studies (UNU - CRIS), Bruges, Belgium, in 2008;
- He has published two books, several articles, encyclopaedia entries and book chapters in Portuguese and in English in areas such as development economics; political economy, macroeconomics and lately in the economic/business diplomacy area.

Presently among other research enterprises, he is preparing a book regarding sub-national economic diplomacy.

### **He integrates several Professional Orders and Affiliations such as:**

- Royal Economic Society; BISA- International Political Economy Group (IPEG); Australian International Political Economy Network (AIPEN); Portuguese Economic Order; International Institute for Asian Studies and Interchange – IASI; Portuguese Association of Studies for Economic and Social Development; He was member of the GARNET (Network of Excellence- 6th Framework program).



## Peter Noordhoek

Peter Noordhoek (1957, The Netherlands) is director-owner of Northedge Ltd and Northedge Education Ltd..His main activity is the development of association and sector wide quality and oversight systems. This builds on his experience with the creation and implementation of quality approaches in the public sector. He has written a book on 'sector wide quality' and a great many articles on associations, quality and oversight. He is currently finishing a PhD on the subject. He is co-founder of the new Dutch Association for association leaders (DNA).

Peter Noordhoek has extensive experience as a trainer in many different subjects. His work as a trainer often takes him abroad, from the Ukrain to Marocco. Northedge Education specialises in training for lawyers and policy makers charged with the task of formulating lawas. A spin-off is the new 'Policy co-operative' (De Beleidscoöperatie); a way of 'learning towards a goal'.

Peter has an extensive background in politics and government. He has held many board and campaign functions within the CDA, the christiandemocratic party in The Netherlands. His board memberships include that of the scientific Institute of the CDA. He chairs the political audit committee of the Martens Centre for European



Studies in Brussels. He writes extensively and is editor or columnist for several publications. Together with Dr. Raymond Saner he has published two articles on New Public Management and the question of what comes after. He has also talked with Mr. Saner extensively on the subject of Business Diplomacy.







## **Abstract of Business Diplomacy and the role of Trade Associations**

One of the reasons the science and art of Business Diplomacy is interesting, is because it puts the role of the nation in another, somewhat reduced, perspective. Instead of the nation, it puts a company at the focal point of an exchange of interests with NGO's and other national and international players. This is a reflection of a world that becomes ever more complicated: a truly multi-actor world, implicating great global challenges for international companies. But changing the perspective from the nation state to that of business is not enough, no matter how multinational or big the enterprise is.

To have a true perspective on the challenges diplomacy faces, it is better to add another perspective. A perspective where business and the multi-actor aspect merge: in associations. Here the international aspects of associations are defined, a model for change

is presented and cases are discussed. Combining this insight into the possible impact of associations with available literature on the definition and nature of business (economic, corporate, commercial) diplomacy, a critique results on the relevance of these concepts. Perhaps it is better to speak about 'multi-actor diplomacy', in which traditional, business and other forms of diplomacy all have their place.

## Roger Hayes

Dr. Roger Hayes is a leading international public relations and public affairs professional with 30 years experience in trade associations, corporations and consultancies and has also advised governments. He has been Director-General of the British Nuclear Industry Forum, CEO of the International Institute of Communications, SVP of PR and Government Relations at Ford of Europe, Director Corporate Communications Thorn-EMI plc., Head of Corporate Communications PA Consulting Group and a Director of the strategic communications firm Burson-Marsteller. He began his career as a Reuters correspondent in Paris. He was also co-founder and Non-Executive Chairman of Echo Research, an international stakeholder insight firm, now part of Ebiquity plc. He is currently Honorary Adviser to the Federation of Indian Chambers of Commerce in the UK. He is a Trustee of Global Thinkers Forum (GTF).

For the past 10 years he has been a Senior Counsellor with consulting firm APCOWORLDWIDE, based in London, although he recently returned from a more than one year assignment as interim MD of the firm's Indian operation based in Delhi. He has also spent considerable periods of time as senior adviser to their African operation based in Johannesburg. He also had an extended secondment in Kuala Lumpur working with the late Dr. Millicent Danker.



During this time Roger Hayes completed his Doctorate in Public Relations and Public Diplomacy in a Globalised World at Henley Business School (2012), conducting research in eight countries. He is a regular speaker and contributor on these topics. He is a Visiting Fellow at Henley Business School (for which he has run workshops in Indonesia, Malaysia and South Africa) and Greenwich Business School, where he teaches on the International PR MA programme. Roger is an accredited E. U. trainer.

Roger is a Member Emeritus and Past President of the International Public Relations Association, (IPRA) and a Fellow of the Chartered Institute of Public Relations UK, for which he is Chief Examiner PR Diploma.

He has just written a book-REFRAMING THE LEADERSHIP LANDSCAPE- A Culture of Collaboration, with Dr. Reginald Watts to be published by Gower in March 2015.

## Roman Holý

Roman serves as the First Secretary for Economy and Trade at the Embassy of the Czech Republic in The Hague since 2013. He studied the Diplomatic Academy in Prague. Before he had studied Mechanical Engineering and Computer Science also in Prague but his “studying masterpiece” was his Diploma thesis project at the CERN in Geneva in 1994. After that he started to work as business analyst in Andersen Consulting. Then he managed few other projects in Siemens and as freelancer.

Roman began his diplomatic career with the Czech MFA in Prague in 2003. He served as Deputy Manager of the transformation project “SOFPIA” (Strategic, Organization, Functional, Process and Information Audit); leader of the CAF (Common Assessment Framework); member of the Steering committee, responsible for the Quality.

Then he served four years at the Permanent Delegation to the OECD in Paris (2006 – 2010). After comeback he worked at the Department of Development Co-operation and as Secretary to the Director General of Economic Section, where he contributed to the management of the Section, especially in the area of Commercial Diplomacy.



## **Abstract of International Business, Business diplomacy and the role of a commercial diplomat**

This paper provides few practical cases and questions from the experience of a practitioner - commercial diplomat that were chosen according to the suggested topics of the 1st International Conference on Business Diplomacy. It covers the role of the commercial diplomacy in the EU, challenges of limited capacities, the comparison of OECD guidelines vs. EU *acquis communautaire*, the sustainable development in the EU and in developing countries, the impact and potential of digitalization, some notes on the tax avoidance, and the importance of public-private partnership. So, these theoretical topics were found relevant also for practical commercial diplomacy.





## Sanjay Sharma and Soon-ok Heijmans

Dr. Sanjay Sharma, former director of Maastricht University India Institute, is managing director of Gwalior Knowledge Foundation ([gwaliorknowledgefoundation.org](http://gwaliorknowledgefoundation.org)) and a business academic/mentor on Korea/East Asia. Educated in Korea (PhD/Public Administration), Netherlands (MBA/Strategy) and India (MPhil/Korean Studies; MA/International Relations), he has advised government agencies on security and investment in Korea, Korean conglomerates on India and Europe operations, and global firms on high-growth Asian markets. He was a member of the India advisory team at POSRI, Korea. At KPMG Netherlands, he assisted in the setup of Korea business division.

A native of knowledge and experience economies (lived in Korea for 13 years, the Netherlands for 8 years), he has taught business management in Asia, Korean language, foreign policy, business diplomacy, circular economy, business ethics and negotiation at various Dutch, Korean, and Indian universities. A guest speaker/faculty at Clingendael, Leiden University, JNU, IIT-Kanpur, SNU, Hanyang University, KIIEP, UNESCO-Korea, he has published on

Korea, contributed regular columns for a Dutch business magazine and featured in Korean TV documentaries. Dr. Sharma is a recipient of national merit scholarship from Government of India, doctoral research fellowship from Government of Korea, and advanced research fellowship from the Academy of Korean Studies.

### Co-author:

Soon-ok Heijmans, research director at Gwalior Knowledge Foundation, holds an MA in Korean Studies from Leiden University, The Netherlands. She spent nearly a decade in Korea working with the Dutch Embassy, EU Chamber of Commerce, and ING. Her research interests include Asian affairs and health care.

## Abstract of POSCO-India Project: A Business Diplomacy Fiasco

What distinguishes the 21st century from the 20th century, in global business context, is that firms have to learn working under constant vigil of their stakeholders due to unlimited multidirectional information dissemination. Thus, both MNEs and SMEs are



in need of a new and rather fluid skill-set, known as 'business diplomacy' for a smooth sail in foreign markets, especially those characterized by institutional void.

This case study of the POSCO-India Project illustrates how a strategy deficiency in terms of business diplomacy competencies could lead not only to a total fiasco of a well-reputed global firm even in vibrant high-growth markets like India, but also to a spill-over effect on the country of its origin itself. The study offers a comprehensive diagnostic model and remedies in terms of required competencies to meet many, if not any, eventualities.



## Ute Vrijburg

Ute Vrijburg-Klaassens MBA is senior lecturer in sports communication and international marketing communication at NHL University of applied sciences in the Netherlands. "Business diplomacy and sports" is her first conference paper. It is based on her research 'the value of sport in economic diplomacy' which was awarded the sport management innovation award by the Wagner Group in July 2014.

Prior to joining the NHL, she guided the start-up for an international advertising agency in the European Alps, she was management trainer in the Dutch automotive industry and started her career as (international) marketer at Philips Industrial Electronics. She lives at the moment in the Netherlands, and also lived and worked in Turkey, Austria, the United States and Ecuador.



## **Abstract of Business Diplomacy: The value of sport in economic diplomacy**

### **Purpose**

This paper focuses on the strategies of economic diplomacy with its stakeholders the multinational enterprises (MNE's), diplomats and sport. In the research the mechanism of sport in economic diplomacy is researched. This provided models for MNE's and diplomats to embed sport effectively in their strategies.

### **Design/methodology/approach**

The current practice of the role of sport in economic diplomacy and international business is described. A theoretical framework is proposed based on how soft power can be used as a strategy for diplomats, MNE's and sport. The theory explains the difference between the mechanism to pursue goals of the diplomats, sport and the businessmen. Subsequently people in relevant positions in the field of sport, diplomacy and MNE's were interviewed.

### **Findings**

The analysis of the data gives a direct insight in the match of the priorities of the three interviewed groups. Diplomats, entrepreneurs and sports representatives share many purposes regarding economic diplomacy. Embedding the listed purposes In their strategies will be beneficial for MNE's.

### **Research limitations/implications**

In a rapidly changing political and economic business environment this research is a starting point, limited to the Dutch MNE's. The views of MNE's, diplomats and sport are brought together. Further research will be needed to meet the sport experiences in the world.

### **Originality / value**

The framework shows that developing strategies for embedding sport in economic diplomacy will be beneficial for MNE's and diplomats and also visa versa.

## Valentin Preda

Valentin PREDĂ is the CEO of the Romanian Business Exchange, a private organization involved in mergers and acquisitions, joint-ventures and international business matchmaking. He mediates international partnerships between private companies but also facilitating contacts with governmental, non-governmental & other business stakeholders involved in international business. Valentin graduated the Polytechnic University of Bucharest and holds also a Postgraduate Degree in Marketing from the Academy of Economic Studies in Bucharest.

He started his business career with the National Association of Romanian Exporters and Importers – Foreign Trade Centre, as a chief of Business Relations Department. A solid background has been built in real estate investment, development and asset management as Valentin acted for 7 years as a General Manager of different real estate development companies, including Upground - an RREEF/Deutsche Bank Asset Management company. As an alternative to the classical business model of "making money if you have money", Valentin founded in 2011 the Social Economy Development Foundation - which is now running social economy projects for vulnerable groups living in rural areas of Romania. He is also the founding president of the Rotary Club Bucharest



AMBASSADOR and the National Association of Romanian Business Brokers. Valentin has advised companies & NGOs as well as the Minister Delegate for Small and Medium Enterprises, Business Environment and Tourism (as a Personal Advisor/Volunteer). He was also member in different governmental and non-governmental committees. Apart from other ongoing projects, he is currently working on the development of a Business Diplomacy Centre in Romania.

## Ziad Elsahn and Maureen Benson-Rea

### Ziad Elsahn

Ziad Elsahn is a PhD candidate in the Department of Management and International Business at The University of Auckland Business School, New Zealand. Prior to starting his PhD, Ziad was involved in several consultation and training activities with different organisations in the middle east. Currently, his research interests lie in the areas of strategic decision-making, internationalisation processes, and MNE strategy. In his PhD thesis, Ziad is researching the FDI decision-making process by MNEs, for which he won the John H. Dunning award for the best thesis proposal in International Business by the European International Business Academy in 2014. His work was presented in many international conferences such as the Academy of Management, Australia and New Zealand International Business Academy, and The European International Business Academy. projects for vulnerable groups living in rural areas of Romania.

He is also the founding president of the Rotary Club Bucharest AMBASSADOR and the National Association of Romanian Business Brokers. Valentin has advised companies & NGOs as well as the Minister Delegate for Small and Medium Enterprises, Business

Environment and Tourism (as a Personal Advisor/Volunteer). He was also member in different governmental and non-governmental committees. Apart from other ongoing projects, he is currently working on the development of a Business Diplomacy Centre in Romania.





## Maureen Benson-Rea

Dr Maureen Benson-Rea is a Senior Lecturer/Associate Professor in the Department of Management and International Business at The University of Auckland Business School, New Zealand. With an undergraduate major in politics and a PhD in Marketing and International Business, Maureen has held academic positions in the UK as well as several international policy roles with a major UK business organisation. Maureen has published extensively in the areas of international business, strategy and marketing. Her work has appeared in European Management Journal, Industrial Marketing Management, Public Administration, Journal of Business Research, Multinational Business Review among others.

## Abstract of Business diplomacy by small and medium-sized MNEs: Navigating risks and managing legitimacy in foreign markets

**Purpose:** The aim of this paper is to analyse how business diplomacy is used as a strategy by medium-sized multinational enterprises in their foreign market operations.

**Methodology:** This paper is based on a qualitative multiple case study approach relying on six case studies of medium-sized New Zealand MNEs. Data were collected through semi-structured in-depth interviews with multiple participants in each MNE. Within and between-case analysis were used to identify common business diplomacy patterns and practices in the sampled MNEs.

**Findings:** The analysis shows that business diplomacy is not only used by MNEs as a legitimacy management strategy but also as a knowledge acquisition strategy during market entry process. Two different approaches to business diplomacy were identified- systematic and episodic. Each approach has different implications on how business diplomacy was performed as an organizational function, and how business diplomacy capabilities were developed and sustained. The analysis also demonstrates the business diplomacy activities used by MNEs during the market entry process and post-market entry to gain organizational legitimacy.

**Originality/value:** The business diplomacy literature needs empirical studies to help develop understanding of how MNEs engage with foreign constituents diplomatically to achieve their organizational objectives. This paper contributes to this development through presenting the findings of a qualitative multiple case study research.

## Shaun Riordan

Shaun Riordan is a Senior Visiting Fellow of the Netherlands Institute for International Relations "Clingendael" and Principal Consultant with Aurora Partners. A former British Diplomat who served in New York, Beijing and Madrid, he is the author of "The New Diplomacy" (Polity 2003) and "Adios a la Diplomacia" (Siglo XXI 2005). He specializes in geopolitical risk analysis and the development of diplomatic capacities in companies and governments.


### **Abstract of Business Diplomacy: An Innovative Approach to Global Supply Chain Protection?**

MNCs are increasingly forced to operate abroad. This raises questions about the MNC's legitimacy with a broad range of stakeholders, both at home and abroad. These include governments, NGOs and the media. But legitimacy is a complex concept, varying in meaning and importance between corporate cultures, individual MNCs and even within different departments of the same MNC.

Global supply chains (GSC) further complicate legitimacy. The meanings of legitimacy may differ in the different nodes of the GSC. The requirements of legitimacy in one node of a GSC may



contradict those in another. Few MNCs are large enough to integrate their entire GSC. MNCs must therefore work together, and depend on, other firms within their GSC who may not share their concepts of legitimacy, or even hold contradictory ones.



GSC pose a broader range of risks to MNCs than just legitimacy. As MNCs become ever more dependent on these GSC, GSC vulnerabilities, affecting both the nodes and curves of the chain, put at risk the bottom line and even viability of the company. These vulnerabilities include geopolitical, political, economic, physical and cyber risk.

The paper proposes that Business Diplomacy (DB) offers a new approach to managing legitimacy issues and other GSC vulnerabilities. BD is conceived as the adaptation of the mindset and tools of the diplomat to the needs of the MNC. BD focuses on the analysis of risk, networks of influence and information and the creation of heterogeneous coalitions to promote and protect the interests of the MNC. It functions both with the other members of the GSC and in the external environment to manage the legitimacy and broader vulnerabilities of the GSC.



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