



Strategic Orientation for Sustained Profitable Growth in China

with Professor Sam Park (Nanyang Technological University) and Professor
Quy Huy (INSEAD), 10 June 2022, Zoom



Overview

Sustained profitable growth is the ultimate strategic goal for all public companies worldwide. While achieving sustained growth or profit is challenging, it is far more daunting to pursue *profitable growth* over time. Studies show that *sustained profitable growth* is an elusive target for companies, with less than five percent of the global firms achieving it over ten years, which further drops to one percent over 15 years.

Firms face the growth-profit dilemma in managing their long-term growth. Growth-oriented firms face managerial complexity and internal coordination difficulties, while profit-oriented firms lack the necessary capital, cost-justifying scales, and market power. Given the growth-profit tension, firms take a sequential process of prioritizing one goal over the other, eventually leading to *profitable growth* over time. If so, what would be the right path for companies in emerging markets to balance these two potentially conflicting goals?

Firms see ample growth opportunities in emerging markets and easily fall into the trap of blindly pursuing growth without considering managerial capabilities. This study presents the theory-based logic and empirical evidence that profit-oriented firms could outperform growth-oriented firms in China. The growth orientation strains managerial attention that is in short supply in emerging markets, leading to inefficiencies and performance decline over time. The study also shows that the government's growth-inducing policies during an economic downturn are not necessarily helpful for the firms' *sustained profitable growth* in China.

Speakers



Seung Ho (Sam) PARK

**Head of Strategy, International Business and Entrepreneurship
Director, Nanyang Centre for Emerging Markets
President's Chair and Professor in Strategy and International Business,
Nanyang Technological University (NTU)**

Dr. Park is the President's Chair and Professor in Strategy and International Business and the Director of Nanyang Center for Emerging Markets. He was the Dean of the Atkinson Graduate School of Management at Willamette University before joining NTU. He started his academic career at Rutgers, the State University of New Jersey, where he received several teaching and research awards and early promotions to Associate and Full Professor. Since the early 2000s, he has worked in emerging markets as Parkland Chair Professor of Strategy and Director of the Centre for Emerging Market Studies at China Europe International Business School, Chair Professor of Strategy at the Moscow School of Management Skolkovo, and the founding president of SKOLKOVO-Ernst & Young Institute for Emerging Market Studies and Samsung Economic Research Institute (China).

His research appeared in leading management journals. His recent research focuses on sustained high-performance organizations, emerging market multinationals, and growth strategies for multinational and local companies in emerging markets. His co-authored books on emerging markets include the award-winning book *Rough Diamonds: Four Traits of Successful Breakout Enterprises in BRIC Countries* (Jossey-Bass, 2013), *Scaling the Tail: Managing Profitable Growth in Emerging Markets* (Palgrave MacMillan, 2015), *Managing Emerging Multinationals: Solving International Challenges* (Cambridge Univ. Press, 2016), *ASEAN Champions: Emerging Stalwarts in Regional Integration* (Cambridge Univ. Press, 2017), and *Building Strategic Capabilities in Emerging Markets* (Cambridge Univ. Press, 2020). His full bio: <https://dr.ntu.edu.sg/cris/rp/rp00737>.

Speakers



Quy HUY

Professor of Strategy, INSEAD
The Solvay Chaired Professor of Technological Innovation
Academic Director of the China Initiative

Dr. Quy Nguyen Huy is a professor of strategy at INSEAD since 1998. He is known as a pioneering world scholar in linking social-emotional factors to the performance of strategic change and organisational innovation. Dr. Huy's research on strategic change, strategy execution, and organisational innovation has won over ten international awards and was published in prestigious scholarly and practice journals such as Administrative Science Quarterly, the Academy of Management Journal, Academy of Management Review, Harvard Business Review, MIT Sloan Management Review, Organisation Science, and Strategic Management Journal.

His pioneering research on how collective emotions and emotional capital enhance organisational innovation and strategy execution has been applied by numerous organisations worldwide, both in the private and nonprivate sectors. He has done executive development, teaching, consulting or coaching for a wide range of profit and non-profit organisations worldwide. His full bio: <https://www.insead.edu/faculty-research/faculty/quy-huy>.

Programme Agenda

Date/ Time (SGT)	Programme	Speaker
10 June 2022		
16:00 - 16:05	Welcome Address	Quy Huy, INSEAD
16:05 - 16:25	Presentation: Strategic Orientation for Sustained Profitable Growth in China	Sam Park, NTU
16:25 - 16:45	Q&A Q&A with Quy Huy and Sam Park	Quy Huy, INSEAD Sam Park, NTU
16:45 - ...	Wrap-Up	Quy Huy, INSEAD

Contact

Many thanks in advance for joining us in this exciting virtual presentation. We are already very much looking forward to meeting you soon!

For any questions prior to our virtual event, please contact:

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