

In general: rbv
competitive
advantage



Introduction

The essay is meant to critically evaluate whether and how Ningbo Bird Co Ltd. generates Sustainable Competitive Advantage. It mainly focuses on firm's resources, capabilities and performance in order to achieve sustainable competitive advantage. Also, in this essay, the link between a firm's resources and sustainable competitive advantage and the characteristics and strategic implications of the resource-based-view of a firm will be discussed. This essay also discusses how resource-based view can be the best strategy route for the development of a firm's strategy to achieve sustainable competitive advantage. The Ningbo bird's management has used RBV as a popular theory of competitive edge. To achieve sustainable competitive advantage amongst other firms, the strategic management need to recognize the firm's critical resource and investigate it into full capacity. To maximise returns a strategic choice can be used through RBV enabling the firm's management to identify, develop and deploy key resources. In short, RBV help a firm to find out why some resources are more advantage-generating than others and why resources asymmetries and consequent competitive advantage exist in an open competition. Although RBV is useful to find out how some firm can surpass others, it has limited normative guidance to managers.

Evaluation of Ningbo Birds' Case

A pager company, Bird, which started out as a pager producing company went out to be the largest domestic pager producer and merged with Ningbo and other investors to enter the cellular phone industry. The rise that Ningbo bird gained and sustained its competitive edge is an outcome of different

strategical decisions made by the company's management. Foremost, the business environment was set in a way that it was not focused on a short-term profits and period of the company. Mr. Xu lihua and his co-founders had set their minds in building a business for long-term cause that lasted for more than hundred years. Therefore, Ningbo bird's solid founding team had a common value and intellectual regardless of the failures and difficulties. Mr. Lihua paid a great effort on building a team and using combined efforts from all sources. The RBV emphasises on the role of human capital in the creation of CA, which at the same time caused issues for accountants in terms of total business and intangible asset valuation. Mr. Lihua's father had given him a very valuable insight on the birds fly high above in a group to prevent attacks. The founding team of Ningbo bird acquired common vision and value, resilience and strong motivation for innovation that helped them to gain success. The RBV theory emphasises that resources that can be exploited to achieve competitive advantage should be valuable, rare, inimitable and appropriate value. Consequently, competitors are unable to discover and replicate them within their own organisation. Thus, the firm can achieve a longer lasting competitive advantage. Ningbo bird's solid management team is a competency that many new- born private enterprise lacked which caused those infant firms to back out from the industry and gave Ningbo bird a competitive edge in that period.

Furthermore, Mr. Xiguang's involvement in the company brought connections with the government officials of Ningbo city which led mayor of the city fenghua to offer full support and " preferential policies". This scenario provides a positive affect of political factor and benefitted Birds to

attain a competency over Motorola which was their only competitor at that time on the basis which restricted Motorola by its production capacity. This political factor being a market-access-related competency created reputation and channels for Ningbo bird which was highly advantageous. Similarly, in 1999, when Ningbo bird signed a co-operation contract with a French cellular company, SAGEM, it gained valuable tangible resources like, SAGEM's technology and equipment with bank loans. This joint venture exposed Ningbo bird to new competencies and their integration that saved time and avoided risk in development of product and control quality establishing a mass production capability at an international standard. This illustrates a competitive advantage at that time period however, those resources were not rare and could be imitable, therefore this implies as a strategically competitive parity for Ningbo bird. Also, the fact that the Ningbo bird had a clear internal coordination routine as, integration/adaptation for allocating competencies and resources to exploit new market opportunities hints towards dynamic capability of Ningbo bird. Furthermore, what the management of the company realised was the importance of nurturing own research centre for research capability for developing sustainable advantages. The integration/adaption routine by evaluating the barrier of dependability that Ningbo bird had with SAGEM for product development was eliminated as Ningbo bird set up a five research centre and acquired a very valuable resource.

Conclusion

The organization's RBV is an important strategy route for developing firm's strategy. RBV thrive the achievement of competitive advantage by focusing

on critical resources and capabilities. Ningbo Bird's resources such as were an important strategy to achieve competitive. The key resources that valuable, rare, inimitable and non-substitutable resources are very important for a firm to achieve competitive advantage. Furthermore, these resources are needed by the manager to transform them into profit generating resources. Therefore, strategic capabilities of the firm in transforming the resources can help a firm to achieve superior performance. Ningbo bird had successfully implemented this strategy. Apart from this, the RBV combined with Ningbo bird's flexibility helped them to outperform other competitors such as Motorola, Nokia and Ericson. In spite of the fact that there has been some scrutinize on the repetition value of RBV resources, it can at present be overcome by getting human creative mind into the centre of RBV, for example, how human ideas touch off progressive methods of significant value creation. In some firm, the strategy is better performed if it can be aligned with the environment, they are operating in. This can be done through Porter framework. To achieve core competencies, Ningbo bird utilised its unique resources such as developing expertise and resource strengths. These help Ningbo bird to accomplish competitive advantage as RBV bolster the view that resources and capabilities created are dynamic and consequently hard to imitate.