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# How will International Business Survive the Fourth Industrial Revolution?

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**The common reasons for the avalanches are wind, rain, warming temperatures, snow, human activity and earthquakes. When an avalanche happens, you discuss how to survive it, rather than how to deal with phenomena of heavy snowfall or rain in the mountains. The Fourth Industrial Revolution<sup>1</sup> is such an avalanche heading on us with breathtaking velocity. Essentially, it is caused by the combination of evolving digital technologies and the Industry 4.0 paradigm shift in smart solutions. The 2020 coronavirus crisis amplified this avalanche to an unprecedented scale. Add to this the climate change existential threat to humankind, liberal order perceived collapse, other escalating sustainability issues, and you've got an opened Pandora box at your hands.**

From the economic perspective, the Fourth Industrial Revolution must be viewed as the global equilibria enormous quantum shift that causes fundamental structural re-adjustments in the global economy. Yes, it's painful.

The good news is that the disruptions caused by the Fourth Industrial Revolution are scattered everywhere. All of us are evenly affected by them. So, seemingly, the competition now is not about the smartest winning by discovering the windows of opportunities but the dumbest, laziest and unluckiest losing.

The most blessed are the business researchers as they have all the time in the world to patiently wait until the practitioners – through their tries and errors – will come up with the best remedies to the problem. Later, at our leisure, we will document and scientifically explain what happened.

## **So why should we bother at all? Let's continue with business as usual!**

There is a reason to worry. Many of us believe that something might go wrong here, as there is always the worst scenario. According to it, all of us are racing against time. The global economic system can become disastrously unstable very soon. The domino effects caused by the Fourth Industrial Revolution can easily ruin the majority of international firms and throw all of us into the Mad Max world if an adequate response is not found early enough.

If this is true, the more international firms are better equipped for surviving the Fourth Industrial Revolution, the higher chances all of us have to pull it through. Moreover, it might be the new generation of resilient multinational corporations who will become the safest harbors for capital and the backbone of the future global economy.

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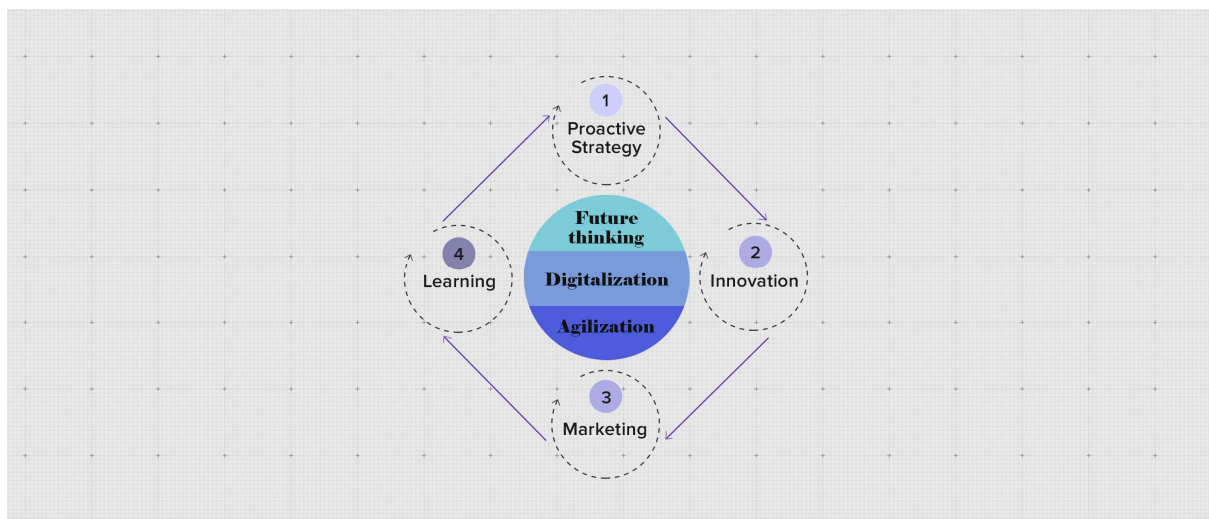
<sup>1</sup> <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>

## How to become a resilient international company in the era of the Fourth Industrial Revolution?

In a nutshell, to achieve resilience, the next generation of international firms will have to be:

- 1) future-oriented;
- 2) digitalized;
- 3) agile.

These three conditions will be necessarily applied to all dimensions of international business administration, including international strategy and organization, international operations and internationalization process.



In practical terms, it means that companies have to learn how to embed future thinking and corporate foresight round all functions and branches of the organization, as well as how to master smart digitalization and practice strategic agilization.

Spreading future orientation, smart digitalization and agilization through the organization will go in revitalization loops.

The kick-off loop will be essentially about the ability to design creative/proactive strategies. At this stage, companies will harness the creative use of well-known tools like scenario planning, business model design, gamification and capabilities analysis in a future-oriented, digital and agile way.

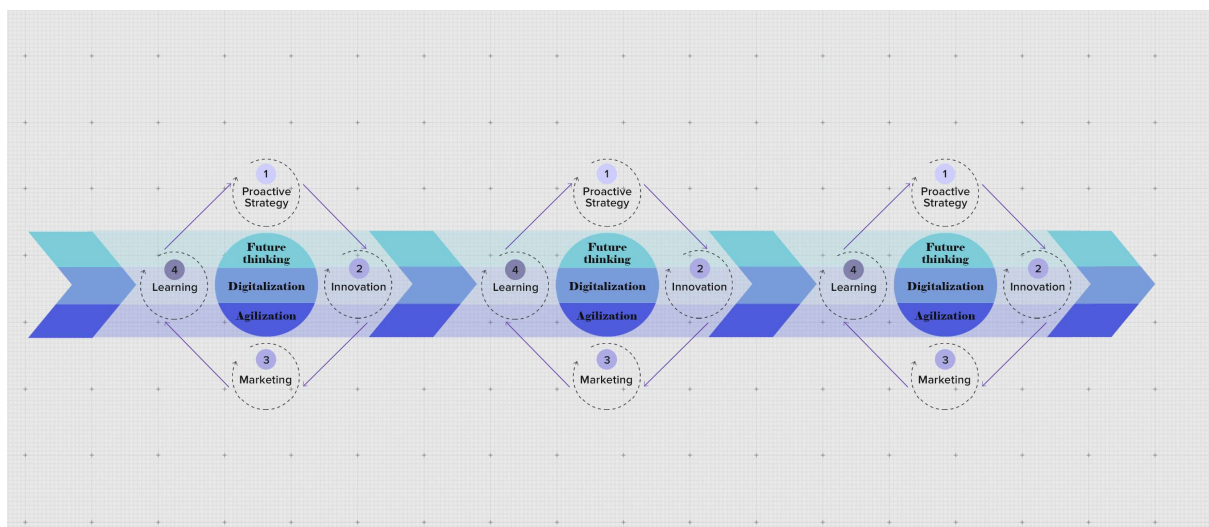
The next loop will be the revitalization of value-based innovation and marketing across the borders. They also will have to become future-oriented, smart and agile.

Finally, future-oriented, smart and agile learning has to become a daily routine in resilient organizations, too.

When these loops are completed, you've got your resilient International Business 4.0 company, ready to go through all the Fourth Industrial Revolution avalanche.

The danger is huge, the remedy is simple. So, take the odds!

**There is one more thing. The resilient companies will survive in chains. The existential challenge of the Fourth Industrial Revolution age is to be a part of a global value chain that is doing well.**



Each time your company will be joining a new value chain, it will have to be prepared to initiate a corresponding series of revitalization loops. That is to assure the future thinking, agilization and digitalization through the strategy, innovation, marketing and learning processes associated with the new value chain. Moreover, you will have to harmonize them within the whole value chain.

It will be hard. It will require resources. Nevertheless, the payoff will be huge. Each time your company will become a part of a rising global value chain, its market value will boost.

So, to survive the Fourth Industrial Revolution and benefit from it, international firms will have to learn how to exercise the revitalization loops in a systematic way on a global scale.

**Will they?**

**About the author:** Taras Danko is a Professor of International Business and Vice-director for international relations at Economics, Management and International

Business Institute, National Technical University “Kharkiv Polytechnic Institute,” Ukraine. He leads International Business 4.0 Laboratory where his research interests primarily focus on corporate foresight in international business, the fourth industrial revolution in the emerging markets context, and international business digitalization. He is one of the Kharkiv Observer co-founders. He is available for further discussion on LinkedIn, ResearchGate and Twitter.

**Pictures:** Nadia Churilova