

# The Winning Strategy of the Late-Comer: How Korea Was Awarded the UAE Nuclear Power Contract

Ki-Chan Park<sup>1</sup>, Françoise Chevalier<sup>2</sup>

**ABSTRACT.** This case study examines the successful winning strategy of the Korean consortium headed by the Korea Electric Power Corporation (KEPCO) on the \$20 billion nuclear power plant (NPP) contract with the United Arab Emirates (UAE). For this late-comer in global business contracts, the bargaining process appeared ambiguous and extremely difficult, particularly when dependent on a huge project like building an NPP in the UAE. This success raises the following questions: “How could the Korean consortium, as a late-comer, be awarded the UAE nuclear power contract?”, and “What are the background and sources of this great success?” We focused on the comparative and competitive advantages of the KEPCO consortium in comparison to the AREVA consortium based on the analogy of David and Goliath. Applying the ‘mechanism-based view’ with the ‘Ser-M’ paradigm characterized by subject, environment, resource and mechanism (Cho, 2006), the two consortia were subjected to a detailed comparative analysis in terms of cost and lead time of construction, core technology, major actors’ leadership, and collaborative efforts of consortium members. This case analysis revealed that the relatively lower price, shorter lead-time, and above all the ‘animal spirited’ leadership of the President of Korea and KEPCO appeared to be the most significant strengths that drove the success of the KEPCO consortium in winning this historical contract. As a late-comer with a weak brand image and core technology, the winning strategy of the KEPCO consortium could be deliberately formulated thanks to the ‘war-room’ contingent-like alchemist, who alloyed a cultural intimacy with Muslims and the ‘never-give-up’ challenging efforts of all the participants. Meanwhile, the AREVA consortium, equipped with incomparable fame and competence, failed to grab the opportunities due to a lack of cooperation among the member companies, and especially to its lack of appreciation of the ‘customer’s point-of-view’. But we suspect that there will be no ‘free lunch’ for the Korean consortium, and conclude that this winning ‘David’ strategy was successful only in winning the present battle, but not the expanding future war in nuclear power contracts.

**KEY WORDS:** late-comer, competition, nuclear power plant contract, mechanism, Ser-M paradigm

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1. Prof. Ki-Chan Park, Asia Pacific School of Logistics (APSL), College of Business Administration, Inha University e-mail: [kichan@inha.ac.kr](mailto:kichan@inha.ac.kr)

2. Prof. Françoise Chevalier, HEC Paris Business School e-mail: [CHEVALIER@hec.fr](mailto:CHEVALIER@hec.fr)

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