Assignment – Global Competition and Strategic Management

Course: Business Strategy and Decision Making ( MGT 5093)

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**Globalization Strategy:**

Over centuries, the phase of integration with the other global nations have been increased and are bonded with each other drastically. The firms started their trade in various nations and are expanding their business empire which are having social, economic, political and capital impact on the firm. This helps the firm to hire people from various nations in their management and by creating a coordinating work environment through which they can be accustomed to various diversities which help them to understand the nature of their customers and can act accordingly. To achieve success, the management should concentrate on their employees and must take proper care while making the decisions regarding the business and must consider all the globalization factors. A proper strategy should be developed to enhance the global international strategies which promote the firm’s international expansion in the global market and to maintain the competitiveness. While developing the strategies and trading their products at international market the firms may maintain same strategy in the domestic market and may add some changes to the products at international level according to the requirements of the customers. Another major decision is considering the factor of undertaking any branding which may have low operational costs compared to domestic one. For example, we can consider apple Inc where their production of parts has been shifted to china due to low operational costs. While few firms concentrate on trading same products with minimal variation across the globe due their brand value. Gucci can be taken as an example in the above given scenario.

Every firm has different corporate culture and structure based on several factors. The firm should be able to support the strategy developed within the firm based on these factors. The management should develop strategy accordingly, and make sure that the strategy will meet the goals and mission of the firm. To attain success, the firm should be aware of all the factors like the diversities of employees working in the firm, goals, mission and mostly the requirements of the customers and the should keep track of the competitors in the market. The success of the firm mostly depends on the strategies implemented by the management and the deviation from this may result in having negative impact on the firm and can be considered as threat or weakness of the firm. The firm will be more successful when the internal environment is more efficient when compared to other competitors. If the firm give importance to the listed factors they may attain success in the global market.

* The proper training should be given to the employees in terms of organizational structures and values and should encourage them for self enhancement of their potentials.
* Generating the commitment among their employees
* Increasing the stability of the firm on international social platform by identifying their employees.

Lacking any of these functions may create a disturbing environment among the employees and may result in not fulfilling the goals of the firm. Listening to its employees is the major thing the firm should focus on most of the firms failed in the global market by not considering the opinions of their employees. Another major weakness of the firm is hiring the improper HR department, which plays a key role in hiring other employees. The management should take proper care regarding the selection of the manager and should give proper care while training their employees and should lead them to achieve the goals of the firm. For example, Loreal is one of the leading cosmetic firm with global market and failed while trading their product in international platform because of the communication gap between the customers of not paying attention to their employees and been a complete disaster. This has been rectified by hiring new translator and changing the product accordingly to meet the expectations of the customers in international front. Uber can be also taken as an example where it has been a disaster in China and eBay an ecommerce site for shopping has also lost its track in china and became a disaster. Therefore, the firm should focus on the diversities of other international platforms to attain success which is the major aspect. For example, Frito-Lay, is a famous food organization in several nations. The flavors and contents in them were prepared accordingly by adding local flavor according to the nation they were trading which made them successful in the international market. However, the firm should not be conservative in terms and should apply strategies accordingly. Another complexity may arise while merging with other firms for attaining more success or to for decreasing the expenses. It would be complex in nature and any simple mistake may have significant impact on the firm. For Example, The Apple Inc used to manufacture their products in US at the beginning and by checking the conditions in the China, the management decided to move their operations to China due to less wages and several other factors. The wage rates were relatively very low compared to elsewhere and more significant which would decrease the manufacturing cost resulting in earning more profits with same quality. Though this is beneficial to the firm in one aspect, it also created competitors to the firm in terms of HTC and Huawei. The cultural shock due to merging with another firm among the employees and be reduced to an extent by providing prior training and by should stick to their old strategies while working on new ones without losing any track.

The above listed strengths may enhance the brand value of the firm in the international market and attain more success. This can be done by SWOT evaluation of the process before finalizing it. The SWOT analysis includes the Strengths, Weakness, Opportunities and threats of the firm while implementing a strategy. The firm should develop a strategy accordingly by giving importance to financial conditions of the firm by developing a initial financial strategy at the beginning of the phase. It mainly focuses on the growth rate of the firm and the expenses that may involve in trading. The second phase is forecasting the strategy or plan that is developed in the initial phase which is followed by the external and internal oriented planning. This involves the development of new strategy to sustain in the market by maintaining its competition. The SBU concept is followed in the final phase where the concept deals by focusing on the internal environment of the firm as well as the individual. This may help the firm to rectify the errors that were previously made and helps in attaining success in international front.

The firm may not be able to sustain in the market or may lose its brand value from deviating from its strategies and become a disaster in the market. To overcome this problem lot of attention should be given to the internal aspects and values of the employees and should develop a strategy accordingly by allowing the above-mentioned phases. The pre-value analysis may help the firm to identify the errors earlier rather than releasing the product in to the market. The most important thing is to cope up with the diversities and should be adaptable in nature to sustain in the international market firm by giving prior training to their employees and by evaluating the requirements of the customers. Hiring proper managers and human resources is also an important aspect to be considered, when the HR department fail to understand its employee while hiring they may have to face the consequences later on.

The firm should not always stick to the same old strategy all the time and should develop new strategies according to the market conditions and should be able to take risks in developing a new one in the market to maintain its competitiveness and empower their employees by involving them in decision making and should encourage them.

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