

Essay on the world of business



**ASSIGN
BUSTER**

Many papers have been writing on the subject of exploitation of the poor by multinationals and there is no easy answer or solution to satisfy both sides; economists and ethicists are continuously debating on the back of the increasing expectations from the consumer population for firms, to behave socially and environmentally responsibly. The Economist Approach The world of business is no romance; it is a place populated with various stakeholders and the survival and long-term success of an MEN is dependent on meeting the needs of these stakeholders.

Friedman's free market school of thought from the ass is still relevant today: the key role of a business is to satisfy the needs of these stakeholders (Penn. 2009). As a CEO, I would justify my global strategy very simply; doing business with the bottom Of the economic pyramid (BOP) is part of the global strategy of any MEN and ignoring this segment would be a failure on my part to my primary stakeholders.

While the billions of people in the world who survive on \$2 a day may seem to have little purchasing power, "the sheer number of these individuals makes up a potential market of trillions of dollars as disposable income" as suggested by Parallax and Hart (2002). With a little vision to the not so far future, it is easy to imagine that as developing economies become transient economies, these billions of people " move up the income distribution ladder and swell the ranks of the lower-middle and middle income tiers" (Parallax, C.

K. 2005). In emerging markets, the BOP has needs as much as the top of the pyramid but they do not have the same income, therefore I would adopt

different distribution, packaging and pricing strategies for that specific segment. The Ethicist Approach As a businesswoman, I would want to keep a strong ethical reputation and as a CEO, I would want my firm to keep a strong ethical brand image and not be seen to be exploitative.

While my primary role would be the pursuit of economic performance, acting socially and environmentally responsible would not have to be contradictory as part of my strategy planning. Porter and Kramer (2006) have argued that a firm's socialresponsibilityinitiatives must be aligned with its overall strategic direction to be truly effective, that is, profitable. When planning my strategy for doing business with the BOP, I would ensure that managers of all levels in the company are truly aligned with the CARs values. I would ensure that the decision-making process when considering Foreign Direct Investment (FDI) would not just be driven by the economical outcome but also by the " ethical attitude" and practices of the country receiving the investment. The long-term effect of investing in countries involved with corruption for example would both me as person and would not fit with the corporate image and profile, would hope my firm would want to achieve.

Therefore, in my view, conducting business in a responsible way, socially and environmentally, with the BOP can deliver on the " triple bottom line" and exploiting that segment of the pyramid does not mean the exploiting the people in it.