

# [Why companies go global essay](https://assignbuster.com/why-companies-go-global-essay/)

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Good morning everybody, thanks for coming today.

This morning I’m going to explain you why nowadays many companies decide to go global. I choose this subject because, as you know, we come from all around the world, Canada, France, Spain, Japan and we are all interested in the global vision of our world. As you know, in our increasingly global society, many companies cannot afford to live with the illusion that their domestic markets will always be strong. For this reason, many companies choose to expand to overseas markets.

Benefits of becoming global. By taking a venture into international markets, a company can offset seasonal fluctuations in sales and increase profits in general through exposure to a greater number of prospects. Further, technical proficiency is often increased by expanding into markets with a greater expertise in certain areas of technology. In addition, expanding into foreign markets can minimize a company’s risk of losing market shares to customers who themselves take advantage of the Internet to look for suppliers of goods and services in foreign markets.

Risks of becoming global Becoming global can seem exciting and adventurous but you have to be conscious that there are many risks involved for the company and potential obstacles to consider. Cultural and language barriers are the most obvious of these considerations. Variations in religious beliefs, societal norms, and business negotiation styles all have an impact on how business needs to be conducted when dealing with foreign counterparts. For example language barriers may present an obstacle when you are trying to communicate the benefits and advantages of a company’s products and services overseas. Other difficulties in expanding into foreign markets include economic and political risks. Shifting borders and the instability of some foreign governments can pose a threat to the security of a business overseas.

How to get prepared for a global expansion.