

# [Global changing constantly so, is the business.](https://assignbuster.com/global-changing-constantly-so-is-the-business/)

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GLOBAL BUSINESS Thenature of global business environment guarantees that no matter how hard wework to create a stable and healthy organization, our company will keep onchange dramatically far beyond our power of control. Globalisation is a processof dealing and incorporating with people, organization and government ofvarious state/ nation operated by international trade and investment andsupported by information technology. It affects people, organization, theirworkforce and customer, not just of common world but generally cultural andtransactional relationships which define word of our age and affect how welive, communicate/connect to each other no matter where we are. There are fourlevel in the phase model of globalization and they are: Exporting, cooperativecontracts, strategic alliances and wholly owned affiliates.  The purpose of this essay is to understand theword global business and Analyze all four stages in phase applying Australianorganization who appear at each step of the problem and their major strengthand weakness will be figure out and outlined1. Insimple language global business is an organization or company running businessacross the world.

World is dynamic and is changing constantly so, is thebusiness. Advance in technology leads to flowing of data and information inaddition political alliance shift and activities implemented by the globalinstitutes come up with vast change in global market. Therefore, who want tounderstand global business landscape have to study all these aspect in order toknow global business and future trends clearly. For the reliable plan of higherand sustainable growth of country it is important to being known of fullpotential of the single market in order to overcome the economic shortage.

AsIn Europe antitrust policy help to support the single market and the EUeconomic growth and examines challenges for the implementation of antitrustpolicy caused by changes in the dynamic and complex economics environment, atnational and international position.  Global completion, imperative quality 2and free trade areimportant factor that go with global business plus business landscape are themajor driven point that contribute creating great jobs and growth inbusiness/market. Whereas some other found it in different way, by testing twonormal international activities the law of semi globalization and the law ofdistance by empirical meth ology It is found international market seldom gobeyond 30% Even though importance international business is continuing so, insome degree world is semi globalized by it. And also assume that differenttypes of distance harm the growth of positive business activities.

3Inthis globalised world, annual value of global trade in from of export andimport is expected to exceed $12 trillion. According to current data worldtrade is continuously rising at rapid rate than the world productivity. Exportrefers to sell the domestic goods and service to foreign countries. Globalisationincreases the annual value of global trade in the form of export and imports.

The reason for company supporting exports are Increase in sales and profits, improving and enhancing domestic product, rise in global market share, Low perunit cost Gain new knowledge and experience, Increase the life cycle of item whereasthe main risks with export are trade barrier, large legal, political andcultural complexity and mostly high financial risk as it take more take todevelop extra market. Similarly, the next phase in the model is cooperative agreements and it comprises of twousually used types: Licensing and Franchising. Where, Licensing is an agreementin which a domestic organisation get high pay for allowing other organisationto create the goods, selling its product or by using it’s company name incommon international market whereas franchising is a collection of networkedcompany where marketer of a goods licenses the whole business to other organisation.

Because of cooperative agreement a particular company can be located in allmajor cities and shopping Centre but in comparison to licensing franchisingrisks are more numerous as franchisor are not obliged to renew the franchise asit include  many restriction andlimitation in the area of promote. The third is Strategic alliance phase whichis an agreement between company where they connect their main resources, risk, technology, capital and labour. The most known form of it is joint ventureswhich involve two or more organisation or personnel in a contract for specificgoal. Strategicalliance are more prominent in the global economy and have been formedworldwide over 2 years but in other hand It carries large weakness in Overcomingof language and cultural difference, clash of self-ego, organisation policiesand conflict in goal, methods ethics and waste of time in interacting, buildingtrust and coordinating values. Last but not least Wholly owned affiliates isthe final stage in the globalisation, these organisation are foreign offices, services and producing goods that are 100% owned by the guardian company.

Payoff of this model can be vat if wholly owned affiliates get success as theloss can be extremely large if they failed, because all of the risk areaccepted by parent institution. This phase is popular to build or buy and mayreduce risks of delay and opportunities with help of partners in certainsituation. Here, parent company gets all the benefits and has control overinternational service but equally Expense of building, new operations and owingexist business is not small thing. Inherent problem of international activitieseasily affect the small scale industry as in Italy, Empirical analysis ispositively focus on network and clusters of SMEs, as they link the advantage ofsmall scale with profit of large scale industries where SMEs is reason forincreasing globalization. 4 Inconclusion, In the recent past, globalization has become rising in some waybecause of need to increase the organizational financial bases. Advance intechnology including interaction integration and better international relationshas contributes to promotion of international business.

To achieve bettermarket opportunities and large investment/profit in international trade it is mostto do researching to make sue data related to target market in countries issatisfied.  All the four phase ofglobalisation has impact on how organization and business improve and changewith time. Particular company or business may not follow the stage of phasemodel serially but they cannot skip stages on the way. At beginningglobalisation is just about taking benefits of simple expenditure in offshorepath but now in today’s era it has strong globalizers introducing theadditional high profits to this and taking 5on top advantages whereunsuccessful company are not. Each stage of model includes its own standard ofproblem although to make sure there is success implementing of these stageneeds continuous planning and managements and devote from the company. ReferenceCartelsRevista de Economics Vol6, Iss3, Pp 36- 50(2014)ENGSIG, Julian@ement 2017, Vol20 Issue 3, p287-297Lucia Piscitello, Francesca Sgobbi Small BusoinessEconomics.

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