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business.

[Business](#), [Industries](#)



GLOBAL BUSINESS The nature of global business environment guarantees that no matter how hard we work to create a stable and healthy organization, our company will keep on change dramatically far beyond our power of control. Globalisation is a process of dealing and incorporating with people, organization and government of various state/ nation operated by international trade and investment and supported by information technology. It affects people, organization, their workforce and customer, not just of common world but generally cultural and transactional relationships which define world of our age and affect how we live, communicate/connect to each other no matter where we are. There are four levels in the phase model of globalization and they are: Exporting, cooperative contracts, strategic alliances and wholly owned affiliates. The purpose of this essay is to understand the word global business and analyze all four stages in phase applying Australian organization who appear at each step of the problem and their major strengths and weaknesses will be figured out and outlined<sup>1</sup>. In simple language global business is an organization or company running business across the world.

World is dynamic and is changing constantly so, is the business. Advance in technology leads to flowing of data and information in addition political alliance shift and activities implemented by the global institutes come up with vast change in global market. Therefore, who want to understand global business landscape have to study all these aspects in order to know global business and future trends clearly. For the reliable plan of higher and sustainable growth of country it is important to be known of full potential of the single market in order to overcome the economic shortage.

As in Europe antitrust policy help to support the single market and the EU economic growth and examines challenges for the implementation of antitrust policy caused by changes in the dynamic and complex economic environment, at national and international position. Global competition, imperative quality and free trade are important factors that go with global business plus business landscape are the major driven points that contribute to creating great jobs and growth in business/market. Whereas some others found it in different ways, by testing two normal international activities the law of semi globalization and the law of distance by empirical methodology. It is found that international market seldom goes beyond 30%. Even though the importance of international business is continuing so, in some degree the world is semi globalized by it. And also assume that different types of distance harm the growth of positive business activities.

In this globalised world, annual value of global trade in form of export and import is expected to exceed \$12 trillion. According to current data world trade is continuously rising at a rapid rate than the world productivity. Export refers to sell the domestic goods and services to foreign countries. Globalisation increases the annual value of global trade in the form of exports and imports.

The reasons for companies supporting exports are: Increase in sales and profits, improving and enhancing domestic products, rise in global market share, Low per unit cost, Gain new knowledge and experience, Increase the life cycle of items. Whereas the main risks with exports are trade barriers, large legal, political and cultural complexity and mostly high financial risk as it takes more

take to develop extra market. Similarly, the next phase in the model is cooperative agreements and it comprises of two usually used types: Licensing and Franchising. Where, Licensing is an agreement in which a domestic organisation get high pay for allowing other organisation to create the goods, selling its product or by using it's company name in common international market whereas franchising is a collection of networked company where marketer of a goods licenses the whole business to other organisation.

Because of cooperative agreement a particular company can be located in all major cities and shopping Centre but in comparison to licensing franchising risks are more numerous as franchisor are not obliged to renew the franchise as it include many restriction and limitation in the area of promote. The third is Strategic alliance phase which is an agreement between company where they connect their main resources, risk, technology, capital and labour. The most known form of it is joint ventures which involve two or more organisation or personnel in a contract for specific goal.

Strategic alliance are more prominent in the global economy and have been formed worldwide over 2 years but in other hand It carries large weakness in Overcoming of language and cultural difference, clash of self-ego, organisation policies and conflict in goal, methods ethics and waste of time in interacting, building trust and coordinating values. Last but not least Wholly owned affiliates is the 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 vast if wholly owned affiliates get success as the loss can be extremely large if they failed, because all of the risk are accepted by parent institution. This phase is popular to build or buy and may reduce risks of delay and opportunities with help of partners in certain situation. Here, parent company gets all the benefits and has control over international service but equally Expense of building, new operations and owing exist business is not small thing. Inherent problem of international activities easily affect the small scale industry as in Italy, Empirical analysis is positively focus on network and clusters of SMEs, as they link the advantage of small scale with profit of large scale industries where SMEs is reason for increasing globalization. 4 In conclusion, In the recent past, globalization has become rising in some way because of need to increase the organizational financial bases. Advance in technology including interaction integration and better international relations has contributed to promotion of international business.

To achieve better market opportunities and large investment/profit in international trade it is most to do researching to make sure data related to target market in countries is satisfied. All the four phase of globalisation has impact on how organization and business improve and change with time. Particular company or business may not follow the stage of phase model serially but they cannot skip stages on the way. At beginning globalisation is just about taking benefits of simple expenditure in offshore path but now in today's era it has strong globalizers introducing the additional high profits to this and taking 5 on top advantages where unsuccessful company are not. Each stage of model includes its own standard of problem although to make

sure there is success implementing of these stages needs continuous planning and managements and devote from the company. Reference Cartels Revista de Economics Vol6, Iss3, Pp 36- 50(2014) ENGSIG, Julian@ement 2017, Vol20 Issue 3, p287-297 Lucia Piscitello, Francesca Sgobbi Small Business Economics.

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