

Essay on leadership challenge assignment

[Business](#), [Company](#)



The onset of international business development in the 19th century was facilitated by the innovation and mass use of new modes of transportation. Traders expanded their routes and integrated foreign markets. At that time, the traders exchanged goods from their home for goods from other places. The development of use of currency, decades later, further accelerated the growth of trade. Unfortunately, slave trade was a principal form of trade in the early years of globalization. Globalization is defined differently today, depending on the source and field. Unlike the traditional forms of globalization, today, businesses do not have to travel to the market abroad in order to sell their products there. The development of new communication technologies has improved globalization, and the world has become, as it is said, a “ global village”. The internet is considered the most essential technology of modern globalization. The internet has enabled not only the communication, as allowed by the traditional communication technology, but also the sharing of this information with a large number of people in different geographical regions.

The US economy has benefited a lot from globalization. There are millions of businesses in the US that sell their products abroad without setting up “ brick and mortar” stores in those countries. Since the US was the base for the growth of the internet, it has a result developed the best cyber infrastructure. This has given local businesses an edge over those in other countries. It is important, however, to acknowledge that globalization is only enhanced by the internet and is not the internet. Globalization entails other activities that include setting up in different markets abroad; businesses often do this to find bigger markets for their products.

Globalization has changed how business is conducted in the US.

Traditionally, a business would target the local market. However, the US markets are mostly similar. This means that for a business based in the US and targeting the local population, the modes of sale are similar including the currency, the technology used and even the sales pitch used.

Globalization changes this. Different markets have different characteristics.

The cultures in most of the markets abroad differ significantly from the US culture and customer behavior. Businesses have had to conduct market studies in multiple countries in order to individually capture each market. For instance, take a business dealing with mobile phones. In the US, mobile phone stores target a market that is characteristic of averagely enlightened people. The marketing media in the US is by TV or the internet; rarely the newspapers. If this business decides to venture into the African market, changes in strategy have to be made in order to succeed. The African market is characterized by low income households. This indicates that the phones that would sell most would be the low price phones. There is, however, an emerging group that is able and willing to purchase higher end phones. The business would have to strategize on the most profitable group to target. Mode of payment in the US is usually cash or credit card whereas in Africa the principal mode of payment is cash.

Globalization also changes the logistics of the firm. For a local firm, products sold are delivered through already established channels of distribution.

Logistics change when the firm expands into new markets abroad. The cost of transportation increases and the firm has to establish new distribution channels to ensure the steady flow of the products into new markets. This

has meant that the firm makes a substantial initial investment. Logistics and market studies cost money. Establishing in various markets also means that the company has to pay for new licenses as well as pay taxes in those countries. This, consequently, changes the dynamics of the firm's business. Personally, globalization has offered a challenge to develop new strategies that could enable the firm to succeed in new markets abroad. The time and money invested into new markets have meant that the firm has had to cope with reduced profits. On the positive side, new markets abroad have offered a diverse market for our products. The firm can now develop products that are specifically focused on these markets. They also offer a cushion for the firm in case the US market is not performing as well as expected.

US managers require a global mindset in order to succeed in running their firms operations. A global mindset refers to a thinking that allows for possibilities in other markets around the world. For most businesses in the US, the market is shrinking. Businesses abroad have started to sell cheaper and yet high quality products to the US market. Perhaps a good example of this is China. Chinese firms have the advantages of lower production costs that the US firms lack. Their products therefore come cheaper. The Chinese have a more global mindset. A manager that intends to expand the firms market into new frontiers abroad should be open to different cultures and consumer behavior. It is important for the manager to be flexible in their thinking. A firm's success in a global venture is dependent on the acceptance of the products by the target population. If the people like the product, they will pay for it. A flexible manager is open to changing the business strategy used for one market to fit another. If need be, the manager also ought to be

able to change the product in order to make it suitable for the markets they target. The manager should also have a creative and innovative mindset. Taking the example given earlier, the African market will absorb cheaper products. A manager is supposed to be creative enough to know how to reduce the product's price while maintaining the quality offered in the US market. Innovation is important in new markets. A firm has to develop products that will sell in the new markets it ventures. Managers should acknowledge that because of differing cultures, not all US products will sell elsewhere. Innovation is the remedy for this problem.

Developing a global mindset has proven difficult for many managers in the US. The US economy is perhaps the most developed in the world. Many managers consider it to be superior to other economies. The business models in the US are considered by many managers as the right ones for business. However, it is a fact that these do not work in other major markets abroad. Managers are, therefore, required to learn new ways of thinking in relation to markets abroad. Perhaps the most challenging aspect of a global mindset is learning and understanding different cultures. For business to succeed in a market, the manager is required to understand how the economy runs. They should learn how transactions in these countries are conducted, when the population spends most, what the preferred hours of business are, and how to relate with other local and international businesses. Another leadership challenge is hiring the right people to implement the business strategy in the foreign country. A firm has to hire local professionals who understand the market better. This allows the business to integrate into the market faster. However, finding these professionals is a leadership

challenge. If the wrong people are hired, the business could fail. Another problem arises when a manager attempts to teach or rather train the employees to think global.

Once the appropriate strategy has been drawn for the specific market and the right people hired, the odds of the firm succeeding in an abroad market reduce significantly.