

Finding your strategy in the new landscape



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“ FINDING YOUR STRATEGY IN THE NEW LANDSCAPE” By: Pankaj Ghemawat

Executive summary: The economic health of the world became worse after the global recession of 2008. The general impact of this catastrophe crashed not only the manufacturing sector but also the service sector as well globally. Most of the times it limited the various activities of the cross border commerce. The FDI has plunged down by 40% dramatically within the span of one year. Such trends in the economy can invite weak global growth; volatility in the financial markets, costlier capital and May even increased the protectionism.

The markets of the developed economies are shrinking whereas the developing economies are in the way of prosperity. Further during the recession most international companies has been concentrating much more on home markets and has been toning down their global ambitions, as evidenced by a significant drop in the number of companies emphasizing globalization in their communications to shareholders. Therefore the days ahead are seems to be more challenging to transnational companies.

Therefore to successfully negotiate the rockier path before them, they must change their strategic approach in several dimensions. The case will basically deals with the how the crisis affects a company’s basic strategic environment and then explore how to translate in to changes in product and market focus, organizational and supply chain structure, talent management structure etc. Strategic Issues: Post recession period is akin to chew the flakes of iron for the international business dealing manager. The global recession has been narrowing the way of prosperity.

After this recession the most of the nation's economies especially the developed nations are characterized by the unemployment, volatility in the financial market, costlier capital etc. This recession brought so many hues and cries along with it. Due to this recession it is becoming very hard to the companies to envisage the future path flawlessly. To adopt the changes is one of the integral functions and strategic issues of any of the companies. To cope with the changes, the companies must take in to consideration the national differences and the regional differences, allocation of the resources and bring to effectiveness in the logistics management. The main issues of the cases is dealing with why the companies of the developed economies are losing their share in the global trade whereas the companies of the emerging economies are performing better continuously in the international transaction. Strategies for the Issues: The strategies are the means by which companies achieve its goals and objective efficiently and effectively both, therefore it is very much necessary of good strategy to deal with the problems and to overcome the competition.

To survive successfully after the post recession period profitably the following strategy can be the guidelines. The global companies should not only focus on inter-national differences but also the intra national differences as well because the such as vast country like India the strategy drafted for the Maharashtra may not fit the people for the state of Punjab. The global company must serve the products what the customer want rather than what they can produce and focus to expand their business activities in the underserved market, penetrate more geographies with differentiated and tailored products and services.

Bringing the effectiveness in the supply chain is also can be the strategies for surviving successfully after the post recession. While significant offshoring is likely to continue, supply chains will need extensive reconfiguring to become shorter, simpler and more robust. For the clear understanding of the intra national differences the domestic top executives are to be recruited. The global companies should focus to their communication process and method so that to enable people in the looser organizations to keep in touch with each other.

Practice of decentralization is to be practiced so that to make quicker decisions and more autonomy to the regional level. Recommendation: After the global recession globally operation companies amended their strategy to compete successfully in the days ahead. The following guidelines can be fruitful if they will incorporate to their strategy. * Rather than putting blind faith in foreign investments to create returns, firms will need to address that risk by spending more time and attention selecting here and when they should invest in foreign opportunities. * It must take care of the intra national differences those who are to succeed in global markets in the future will need to be much more selective about where they invest and, once they have chosen. * MNC should produce the goods and services what the customers are demanding rather than serving what they can produce, at reasonable price. E. g. the Dell by providing highly customizing services according to needs of customers is getting better returns. To cater unnerved portion of the market the companies should move away from the urban elite level to more geographic channels and income level, because this can be best survival strategy within the domestic economy. E. g. reliance telecom in

India. * To tap the opportunities of the ICT and reduce the cost at significant amount the globally operating companies should incorporated the high-tech and also introduce innovation in the supply chain. E. g. UPS, amzon. com are using ICT to assist its logistics management. Have a multicultural and diverse workforce in the organization in order to deal successfully with the global competitors in order to take better advantage of foreign opportunities and achieve a clearer understanding of that country's conditions. This will cause the need for more diversification in management at all ranks. *

Companies will also have to change their approach to communications, using the new collaborative tools of the Web to enable people in the looser organizations to keep in touch with each other.