

The echnological advancement of foxconn and apple

Business



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GLOBALIZATION By Globalization The experiences Foxconn faced with Apple is arguably a perfect example of how globalization has swept many companies by their feet. The concept of globalization has existed for a long period and thus globalization is not a new process, but rather, an ongoing and evolving process. In simple terms, globalization can be defined as integration of technology, capital, and information internationally, thereby creating a “ global market” or a “ global village.” The evolution of companies such as Foxconn acts as markers for globalization especially in the world of technology. Whereas Foxconn had been contracted by Apple as one of the key manufacturing hubs in China, Foxconn has reshaped its business model in the wake of globalization (Yang, 2013). Indeed, Foxconn’s thinking about moving beyond Apple is a classic example of how globalization is taking place in the current world.

Globalization has seen China become a darling for most large manufacturers particularly due to the availability of cheap labour and technological advancement. It therefore does not come by surprise that Apple, an American owned company, decided to outsource its production services to Foxconn. However, globalization has caused significant changes in consumer demands leading to mushrooming of other companies seeking to cash in on emerging market niches. For instance, Apple continually became less significant to Foxconn because of the lost grip on the phone market due to globalization. Considering Apple was responsible for almost half of Foxconn’s revenue (Yang, 2013), any shakeup on Apple would have direct ripple effect on Foxconn as a company.

Globalization especially in the technology industry has caused

unprecedented changes in the way modern businesses operate. For instance, large multinational companies have tuned their supply chain management by outsourcing services and production to other countries. However, the same concept of globalization has empowered production supporting industry players such as Foxconn to think about having their own tailor made products. This could spell doom for companies such as Apple. For example, despite Apple putting its production hopes on Foxconn, Foxconn is on the other hand investing heavily on brand makers such as Sharp's LCD panel factory (Yang, 2013). This is in a bid to solidify its sustainability in a world where globalization is changing operational challenges with time. The fact that a company such as Foxconn could be pushed by globalization to change from a production outsourcing company into an in-house production company only demonstrates how globalization is fast affecting modern businesses. The operational strategies that made mindboggling profits five years ago could actually become obsolete within the next ten years if no changes are made. Therefore, modern corporations and companies will have to keep honing their operational strategies in step with globalization perhaps borrowing a leaf from companies such as Foxconn. Globalization is indeed making the entire planet become a small village. In other terms, globalization is bringing everyone together into one global community. However, this has led to skyrocketed advancement in all tenets of human life making it necessary for everyone to work hard to keep up with the pace. Foxconn's change of survival techniques serves as a good example of how globalization has forced corporations to keep changing their game least they become insignificant.

Reference

Yang, L. (2013, May 6). Foxconn Tries to Move Past the iPhone. The New York Times. Retrieved from <http://www.nytimes.com/2013/05/07/business/global/foxconn-tries-to-move-beyond-apples-shadow.html?pagewanted=all>