

Management



Managers in A More Integrated World Economy Rapid advancement in technology, transportation and communication systems, coupled with the ever-evolving international policies contributes to the integration of world economy. Trading of goods and services are now easier, faster and more efficient giving large multi-national and transnational companies easy access to more areas of the world. For the past 30 years, the World Bank, the International Monetary Fund and giant transnational corporations have pressured governments into removing barriers to the cross-border flow of money and products (Weisbrot. 2005). This phenomenon creates an integrated world economy where production, trading and selling of goods and services reach beyond national and territorial boundaries.

More than 40 years ago, economist and managers all over the world have been highlighting the vital role of state in the process of economic development. Most of them pointed out that unregulated markets, left to their own devices would polarize the distribution of income where small and medium size companies will be suck-up into corporate giants. To some extent, this would create confusion, panics, crises, recessions, and depressions. Along this same line of framework, in order to survive, corporations and businesses would need to find more innovative strategies to cope with the emerging industrialization and economic developments. The pressure is now on the hands of international managers as how they can strengthen their companies in order to face the difficult changes of a highly competitive and open market.

Market Managers: Anticipating Competition

A key factor that often puts companies out of business is competition. This is a major headache among business managers and planners. However, on the <https://assignbuster.com/management-essay-samples-25/>

positive side, competitors are essential to spur companies to strive to do better. Although competitors have a potential of derailing a business, they are also indispensable learning tools for managers who want to get ahead of the competition-both today and for the future. By replicating and enhancing the strategies of the opponent, one can beat the other in their own game. Before a manager takes a move, an inventory of competitors should be taken. In order to gain an upper hand, it is not enough that we study the competitor. We have to learn to anticipate their responses to certain situations through the use of game theory, simulations, scenario planning and conjoint analysis. This would broaden your range of options for reacting to moves of the competitor. Also, a deep understanding on how changes in technology and public policy can undermine current advantages or neutralize future advantages should be taken into serious considerations. Where a manager knows his/her competition as thoroughly as he/she knows his/her own organization, such knowledge is a powerful tool in outwitting, outmanoeuvring, and outperforming rivals. A good example of this is the global cellular phone industry. Nokia is always one step behind its more aggressive and innovative competitor the Siemens brand. However, although Siemens are known to break new grounds in terms of technology¹, Nokia often profits more out of these breakthroughs. The key is knowing ones competitor and calculating the response of the market. This often saves resources both human and monetary.

Forging Alliances

The growing complexity of the global market calls for a more innovative and daring response. Where a company is losing money due to a comprehensive product line of the competitor, expanding and diversifying product may not

be the best solution. More often than not, it is not a wise managerial decision to go against already established market leaders, especially when you have nothing really special to offer. A good management option in this case would be forging alliances such as partnerships, joint ventures, mergers and consolidations with establishments that would complement your product. Not only will these types of alliances boost capitalisation and assets of the company, it also consolidates its forces in terms of manpower and technology. A good example of these alliances is the partnership between Dell Computers, Intel and FedEx, which revolutionised the PC market. Through this partnership, Dell was able to mass produce, customised computer products and efficiently deliver the same to its customers. Consequently, they gained a larger chunk of the market compared to their competitors.

Adapt to Existing Situations

A key factor in staying competitive is for the manager to be able to adapt swiftly and efficiently to emerging conditions. In an environment where companies are linked together with the same communications technology with standardise software, managers should maintain a flexible and adaptive business network. An adaptive business network allows companies to more precisely control inventory, quickly add or drop trading partners, and produce products and services that mirror actual customer demand (Claus Heinrich, Bob Betts. March 2003).

Negotiating and Embracing Diversity

International managers deal with different firms all over the globe. Each country or territory often has their own way of doing things, which have been proven to work for them. Instead of looking at this situation in the negative,

a good manager would find diversity a resource. As a resource, diversity can be a potent source of new market for different products and services. What would sell in other territories may not be popular in the other thus the opportunity to customise products according to the needs of a specific area. Furthermore, human resource management should also take into considerations the elements of diversity of cultures and harness the same to create a potent workforce. Diversity therefore, when properly managed will redound to the benefit of the company.

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