

Case study international business

Business



1. The underlying reason for why IBM was organized as a ic multinational enterprise had to do with two factors. Firstly, the culture of the era stipulated that a multinational enterprise should be run from a central location in much the same way that one might run a local business; with all duties and responsibilities being contingent upon upper leadership. The secondary reason has to do with the fact that IBM had reached a level of maturity at which it necessarily saw fit to develop its assets into a more multinational enterprise. As such, at this point in time, the only way of achieving such a goal was to integrate with the market in the same way that IBM was operating within the domestic market.

2.

One of the main reasons for why this classical approach was no longer working for IBM as soon as the early 1990s had to do with the fact that the world was becoming increasingly globalized. In addition to the collapse of the Soviet Union, the interaction and integration between economies and business entities throughout the world had been on a dramatic increase; so much so that continuing to operate by the classical model with no longer yield the same level of profitability that IBM had been able to appreciate in the past. Naturally, in order to survive in this new climate change, IBM saw it necessary to integrate a more global Outlook. In much the same way that certain businesses fail due to the fact that they are not able to change with the times, IBM's on the necessity of change and instantly integrated with it so that the risk of not changing could be ameliorated.

3.

The first and most obvious strategic advantage to IBM of globally integrating its strategy has to do with the fact that it will be able to take advantage of <https://assignbuster.com/case-study-international-business/>

the unique aspects that certain markets exhibit. For instance, within China, a relatively low cost level of production has been established. By means of comparison and contrast, expertise and development has been created within India. By utilizing these unique realities within the global market, IBM's strategy can be more closely honed to the expertise that it can draw from as well as the unique dynamics and demands of its consumer base.

4.

From an analysis of the framework, it is clear and apparent that IBM is wholeheartedly pursuing a level of diversification, change, globalization, and development. Even though the industry could clearly be categorized as an established firm that has been able to accrue a wide level of profitability from various consumers in the past, it understood the fact that the global structure within the world was changing at a rapid pace. Furthermore, rather than merely relying upon the talent at home and seeking to leverage this talent as a means of delivering upon products and services that international clients demanded, IBM came to the realization that immediate change and diversification with a globalized clientele must take place in order for the firm to become more resilient and able to meet these needs in the future.