

Impact of culture on globalization strategies



The article entitled “ Global Process Standardization: A Case Study” written by Karl B. Manrodt and Kate Vitasek aims to “ describe the process used by a transnational firm to identify their most critical processes, based primarily on how they provided value to their business partner. Secondly, the article will describe how the firm standardized key processes across their global operations.” (2004, 1) The article proffers an exploratory case identifying processes that require standardization on a globalized market.

LITERATURE REVIEW

The authors started their discourse by differentiating logistics from processes and enumerating research studies from various authors on the subject.

Accordingly, Manrodt & Vitasek (2004, 3) averred that “ the literature is clear that global and transnational firms can benefit from a coordinated and integrated management of their key processes.” The complexity of managing global processes on a wider scale is eminent taking into account obstacles including “ language, customs, current standards, education levels, and government regulations. Increased competition, demanding customers, and constantly changing business environments have forced management to seek radically different ways for their companies to succeed in the marketplace.” (Manrodt & Vitasek, 2004, 3)

RESEARCH METHODS

The authors opted to utilize two methods in to achieve their objective. The first method is the use of comprehensive literature on the subject of global process standardization. The second method comprised of an in-depth case study of an actual organization, the Modus Media International, Inc. (Modus) identified as a “ leader linking metrics from strategy to the plant level across its 23 manufacturing/distribution facilities.” (Manrodt & Vitasek, 2004, 4) The

<https://assignbuster.com/impact-of-culture-on-globalization-strategies/>

study that was conducted interviewed senior management to line managers using structured standardized questions on Modus's process management standardization practices.

GLOBAL STANDARDIZATION FRAMEWORK

Manrodt & Vitasek formulated a framework for standardizing global processes enumerating six critical steps, to wit: articulate a strategy; adopt a process review of logistics; identification of key segments, processes and process attributes; determination of impact to customers; selection of improvement of key segments; and identification and training of the global segment owner. A background on the company and the case was initially provided. A supply chain conditioning maturity profile was designed to indicate each of the processes which had several attributes that helped employees determine their level of process excellence. A scorebook was likewise designed “ to allow employees to assess their processes against a maturity profile that describes different stages leading to world class performance in that specific process attribute.” (Manrodt & Vitasek, 2004, 10) Processes were subsequently linked to strategy wherein four processes were identified for global process standardization: supply chain conditioning, supply chain execution, business management, and warehousing. (15)

RESULTS OF THE CASE STUDY

The results of the case study revealed several improvements in the areas of delivery of benefits to customers, corporate savings due to waste reduction and redundancy, reduction of inventory levels and increase in customer service levels, among others.

Other relevant lessons learned from the study are as follows: (1) care and attention should be used when naming specific projects and programs on

<https://assignbuster.com/impact-of-culture-on-globalization-strategies/>

process standardization; (2) a re-orientation in culture was eminent from refocusing to managing processes rather than managing people; (3) there are benefits that can be gained from centralization of information; and (4) there is an established link between priorities of each facilities and organizational goals. (18)

CONCLUSION AND IMPLICATIONS

There are several implications of the study for practitioners and researchers and educators. As identified, there are benefits that emerge in terms of competitive advantage as a result of global process standardization. The lessons learned could be adjusted and adapted to other practitioners' specific needs. In addition, organizations which frequently evaluate network locations generate the advantage of “ reducing the ramp up time and costs for transitioning locations.” (19) Finally, process standardization was found to be less difficult for domestic firms applying the global standardization framework “ because they do not have cultural or language barriers that often exist in a global company.” (19)

The study was successful in attaining their objectives of describing the process used by a transnational firm in identifying their most critical processes, based primarily on how they provided value to their business partner. In addition, standardized key processes across a firm's global operations were clearly determined. The study proffered lessons which can be used by practitioners and educators in identifying the benefits of a standardized global process while taking into account various cultural and geographic dimensions.

REFERENCES

Manrodt, K. B. & Vitasek, K. 2004. Global Process Standardization: A Case
<https://assignbuster.com/impact-of-culture-on-globalization-strategies/>

Study. Journal of

Business Logistics, 25(1), 1 – 23.