International management

Business, Management

International Management Internationalization is a process that leads to collaboration and cooperation of firms, both local and international in their line of business. Competition over the market share characterizes this process, although this interaction of firms is deemed to benefit certain firms in one or the other1. Joint ventures are common practices of this process, where firms aim at maximizing operational welfare given their goals and objectives. Knowledge and technology transfer from multinational expertise to local companies is realized2. Most multinational companies adopt newly developed technologies in their production processes in a bid to ensure that the production processes remain highly effective. Interaction of these companies with local companies can act as the basis through which ideas, knowledge and skills are shared. These companies are quick to share their developmental aspects, and in so doing local companies can access a gateway through which they can better their technologies given their level of output production.

Knowledge transfer can contribute to the performance of local companies. Many local companies are hardly exposed to the operations and modes of business of industrious multinational companies. Transfer of knowledge from highly effective international companies is likely to impact positively on the operations of local companies3. Improved knowledge base would boost resource allocation decisions and further impact on cost minimization with maximization of revenues being the sole objective4. Achievement of the three factors guarantees a highly effective and efficient business performance.

Taking products to foreign markets is another internalization factor. This constitutes cross-border trade. In other words, international trade will proliferate. Meeting international quality standards of goods and services is the fundamental underlying factor in this aspect. International prices of goods and services are always better than the domestic prices5. The profit motive for producing and manufacturing companies drives them towards adopting the right production techniques in order to maintain a constant supply of goods and services in the international markets, while at the same time satisfying the domestic market.

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