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Global Business- Challenges & Opportunities

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ABSTRACT
The paper aims to give an analysis of globalisation the challenges and opportunities. The followings are the definitions, characteristics, opportunities and challenges. The paper considers all the aspect of Global business. Globalization is the process where the economies of various countries in the world become more and more connected to one another. In a globalized economy, people from one country can buy goods quite easily from other countries. Nowadays, people in one country can even buy services from other countries (because of the internet a company can have accountants in India, for example, do its taxes). By the term globalisation we mean opening up of the economy for world market by attaining international competitiveness. Thus the globalisation of the economy simply indicates interaction of the country relating to production, trading and financial transactions with the developed industrialized countries of the world.

INTRODUCTION

"Globalization" is a term that came into popular usage in the 1980's to describe the increased movement of people, knowledge and ideas, and goods and money across national borders that has led to increased *interconnectedness* among the world's populations, economically, politically, socially and culturally. Although globalization is often thought of in economic terms (i.e., "the global marketplace"), this process has many social and political implications as well. Many in local communities associate globalization with *modernization* (i.e., the transformation of "traditional" societies into "Western" industrialized ones). At the global level, globalization is thought of in terms of the challenges it poses to the role of governments in international affairs and the global economy.

Increasingly over the past two centuries, economic activity has become more globally oriented and integrated. Some economists argue that it is no longer meaningful to think in terms of national economies; international trade has become central to most local and domestic economies around the world.

The recent focus on the international integration of economies is based on the desirability of a free global market with as few trade barriers as possible, allowing for true competition across borders. Many economists assess economic globalization as having a positive impact, linking increased economic transactions across national borders to increased world GDP, and opportunities for economic development. Still, the process is not without its critics, who consider that many of the economies of the industrial North (i.e., North America, Europe, East Asia) have benefited from globalization, while in the past two decades many semi- and non-industrial countries of the geo-political South (i.e., Africa, parts of Asia, and Central and South America) have faced economic downturns rather than the growth promised by economic integration. Critics assert that these conditions are to a significant extent the consequence of global restructuring which has benefited Northern economies while disadvantaging Southern economies. Others voice concern that globalization adversely affects workers and the environment in many countries around the world.

The globalisation process has indeed brought with it wider and deeper levels of integration among the countries of the world. The mechanisms and processes of globalisation and

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the forces behind them contribute also to the integration process.2 In fact the two processes are almost inseparable from each other. The ease and speed of communication increases the perception of integration by making people aware of problems and opportunities in remote parts of the world. It also heightens the awareness of the global nature of some problems which, at first sight, might appear to be local, such as environmental problems, human rights issues, local wars.

Accordingly, the term globalisation has four parameters:

(a) Permitting free flow of goods by removing or reducing trade barriers between the countries,

b) Creating environment for flow of capital between the countries,

(c) Allowing free flow in technology transfer and

(d) Creating environment for free movement of labour between the countries of the world. Thus taking the entire world as global village, all the four components are equally important for attaining a smooth path for globalisation.

Global business management can be defined as the interaction of people from different cultures, societies, and various backgrounds in undertaking various business activities with the aim of achieving their goals for example earning profits from their investments. Because of invention of advanced technology the world has increasingly become a village and as a result global business is the modern form of business in this 21st century. Because of globalization there have been great disregard to national borders, governments have lower hand in controlling the flow of their economies and MNC's are now not restricted to only one particular country as it was before.

The reality and existence of globalization can be witnessed when patterns of trade are considered, for example the general level of imports and exports in several countries have magnificently increased over the past few years. Also globalization have led to significant increase in production of business services for example firms dealing with Just-in-Time (JIT) ideas have led to customers getting information .e.g. of accounting and auditing conveniently. Also due to globalization financial systems organizations have now been integrated and they work as one unit thus enhancing the chances of conducting business globally for example through the use of Credit Cards and the existence of flexible exchange control systems in many countries.

It is therefore important to identify different approaches to global business management which can be employed in a business setting of management across cultures and across a diverse workforce in a global setting. Globalization is also now vividly evident because of the way people migrate from one country to another without much difficulty, for example different countries have relaxed their stringent traveling rules to allow ample time for business activities to be undertaken. It is also critical to look into how respective managers can maximize the practical applications of these approaches to Multi-National Companies (MNCs) such as Coca Cola Company.

International Business management practice is the greatest concept that must be understood clearly by all managers and Chief Executives Officers of MNC's before going global. It is the process of applying management concepts and techniques in multinational environment so that firms can become and remain international in scope. This process is influenced by new technologies, improved communication and transportation systems. It involves identifying the suitable approaches to going global and understanding all the advantages and disadvantages of each approach before going global in any business undertaking.

Any company may invest in another country and there are different approaches that a manager can employ depending on the factors that the respective organizations are considering, for example; the cost of entering the new market, existing policies in the country of choice, the rate of technology, foreign

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currency exchange rate control systems among others.

According to John Tomlinson in globalization and culture he argues that, globalization lies at the heart of modern culture and cultural practices lies at the heart of globalization. He says patterns of trade and shape the interactions between them for example through mergers. .that business globalization has led firms that operate and invest in a global scale to transform .

Globalization refers to in which activities of large number of business enterprises is carried out in many different locations across national boundaries. It is much more than just importing or exporting from one country to another. True globalization involves one firm procuring form, manufacturing in, and selling in many different countries.

The following are the opportunities of global business.

- Increased trade across national boundaries.
- One company having subsidiary companies and plants in many countries.
- One company procuring material required from multiple countries.
- One company selling its products in many different countries.
- Greater employment opportunities for people.
- Availability of greater variety of goods and services to the consumers.
- More competitive price to the competitors.
- Ability of companies to achieve lower costs.
- Access to bigger markets to business firms.
- Faster and wider spread of new technologies across the world.
- nical collaborations between companies from different countries.
- Lowering of trade barriers and simplified import and export procedures.

Some disadvantages of global business.

- Unrestricted globalization can hamper the development of less developed countries.
- Smaller firms may lack the resources to compete internationally and therefore may be forced out of business.
- Countries become increasingly dependent on other countries for meeting their needs for goods and services. This can become a major disadvantage in situations like war.
- Adverse economic condition in one country can escalate to other countries and may even adopt global proportion.
- Globalization may also lead to faster spread of infectious disease, for people animals and plants. Such infection may be carried through, people or goods.

Conclusion

By the term globalisation we mean opening up of the economy for world market by attaining international competitiveness. Thus the globalisation of the economy simply indicates interaction of the country relating to production, trading and financial transactions with the developed industrialized countries of the world.