

Being Global: Globalization and Globality

Case duration (Min): **> 60**

Principles of Management (PoM)

Managing in a Global Environment

Competitor analysis

Worldwide

Case summary:

The main business problem focuses on the current competitive state of world commerce and how to interpret it.

This case is primarily concerned with the changing global environment and competition from developing economies. Concepts of globalization and globality are contrasted. The sources of success for the new global challengers from rapidly developing economies is analysed and the necessary response from incumbents determined.

Learning objectives:

Evaluate new threats from rapidly developing economies to incumbents of developed economies.
Understand the difference between globalization and globality.

Case problem:

The nature of competition worldwide is changing presenting new challenges for incumbents.

First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.

Consider attempting the case study as a group exercise; you could form a study group with fellow students.

3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.

Discuss questions and answers with other students.

4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

Title/ Media type

URL/ Media description

Being Global

http://feedroom.businessweek.com/?fr_story=a13743974de01e2aaf47842b27318dab6da3d3b8&rf=bm

Film

How to lead like the new global giants

Boston Consulting Group's Hal Sirkin explains the rise of new global challengers--companies good at competing for resources, talent, customers, and capital in rapidly developing economies.

Sirkin discusses his book, GLOBALITY: Competing with Everyone from Everywhere for Everything (capital, talent, IP, brand, customers and raw materials), which is primarily concerned with the consequences for corporations of this new state of heightened economic competition. He argues a need to think and act differently in the face of new threats and change and to seize new opportunities (low cost talent and new customers).

'Globality': Why Companies Are
Competing with Everyone from
Everywhere for Everything

<http://uk.youtube.com/watch?v=8jI8XKJI5rU>

Film

Tata Motors, Embraer and Good Baby make vastly different products, but they have one thing in common: They are among a new breed of emerging-market companies that are reshaping global business. In GLOBALITY: Competing with Everyone from Everywhere for Everything, authors Harold L. Sirkin, James W. Hemerling and Arindam K. Bhattacharya contend that the old model of globalization is evolving into a new phase in which "challengers" from rapidly developing economies such as Brazil, India, China and Russia are competing with incumbent Western giants and growing at a staggering 30% per year. In this video special report, Sirkin, a senior partner and managing director at The Boston Consulting Group, and Wharton faculty discuss the factors that are contributing to this shift and what it means for companies hoping to compete in the 21st century.

NOTES:

Case study questions...

Action	Pre/During/After class
<p>1 GLOBALITY AND GLOBALIZATION</p> <p>According to BCG, Globality is not simply a new word for globalization it is a fundamentally different phenomenon. Research Globality and bring your findings to class. In groups, discuss the two concepts - do you believe them to be different? Has Globality superseded globalization? Does the globality concept help define the nature of and need for change?</p>	Pre-Class
<p>2 EMERGING CHALLENGERS</p> <p>How are incumbents from the Triad (developed) countries threatened by emerging challengers from the RDEs?</p>	During

Answers...

GLOBAL

A form of international organizational design where foreign subsidiaries are modelled on the parent companies' domestic approach (replication) – standardization and centralisation are emphasised in order to achieve integration

GLOBAL BUSINESS.

The global business is a company that operates in several countries and uses information technology to assist in the control of operation and performance in each country.

GLOBAL STRATEGY

views the world as a single market

GLOBALISATION

growth and integration to a global or worldwide scale

GLOBALIZATION

Trend away from distinct national economic units and toward one huge global market

GLOBALIZATION

the intensification of worldwide social and business relationships which link distant localities in such a way that local happenings are shaped by distant events, and vice versa.

ENVIRONMENT

issues, trends, events and other factors outside the boundaries of an organization but which can influence internal decisions and behaviours.

TRIAD

The three major trading and investment blocs in the international arena: the united states, the EU and Japan

Question/ Answer

1 Globality and Globalization

According to BCG, Globality is not simply a new word for globalization it is a fundamentally different phenomenon. Research Globality and bring your findings to class. In groups, discuss the two concepts - do you believe them to be different? Has Globality superseded globalization? Does the globality concept help define the nature of and need for change?

(see background notes for answers)

2 Emerging challengers

How are incumbents from the Triad (developed) countries threatened by emerging challengers from the RDEs?

The challengers operate at low cost, are innovative and have global ambition. They learn to operate in difficult environments (less developed economies) where there may be transportation and communication difficulties. Thus, when they compete in the developed countries they find operations easier. They learn to be efficient, to constantly develop products for niches and can move very quickly. Consequently they may produce the worlds cheapest car, grow at 30% per year and are profitable (17%).

Case study references

Cole, G. A. and Kelly, P. P. (2011) 'Management Theory and Practice' Ed. 7, Cengage, EMBA

