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REVIEW ARTICLE

INTERNATIONAL BUSINESS

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ABSTRACT

In today's ever changing scenario, business is becoming more global because technology is expanding, especially in transportation and communications with the emergence of new technologies like artificial intelligence. Governments are also removing international restrictions to encourage trade. Institutions provide services to ease the conduct of International business. Many business are upsurging for globalisation. Indeed it is paving path for many futuristic aspects such as International marketing research, International trade, global logistics, Supply Chain Management. International business is all commercial transactions between two or more countries where modes of operations may differ from those used domestically. For example Satellite television transmission now makes it a commonplace to watch events such as football, cricket and so on, as they unfold in other countries. Transportation & communication advances and government to government accords have contributed to increasing dependence on foreign goods and markets. Even in India it is observed farmers are upsurging for exporting their products and targeting foreign markets to be competitive. Competition has become more global with range of products and services opting for oligopoly market.

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INTRODUCTION

As it goes "A great strategy helps managers assess the company's present situation, identify the direction the company should go, and determine how the company will get there." Thus from the above it is clear that companies focusing on global market should have a strategy which can not only survive in the foreign market but also more than delight the customers of that country. For instance, Apple, Dell and so on with their strategy, product quality and customer delight have paved the path for success. The Porter's value chain process which has been introduced in 1985 is considered to be the base for many companies which want to expand internationally. Value chain analysis helps managers understand the behaviour of costs and the existing and potential sources of differentiation. A value chain disaggregated a firm into its strategically relevant activities in terms of Primary activities that create and deliver the product and Support activities that aid the individuals and groups engaged in primary activities. It identifies the format and interactions between different activities of the company. Several factors influence the value chain configuration when companies are going global such as cost factors, Business environments, cluster effects, degree of digitisation, logistics, economies of scale, buyers needs. Many companies are adapting value chain process to become internationally competitive.

A core competence can emerge from various factors, including Product development, Employee productivity, Manufacturing expertise, Marketing imagination, Executive leadership. Global and local pressures challenge how the firm configures and coordinates its value chain. 'Tis the convergence of national markets and quest for production efficiency push for global integration of value activities.

Exports in India

It has been observed that in 2006 exports have been 121.81 billion US dollars. It has increased till 2008 and in 2009 Exports declined due to economic crisis in US. Later their was steady increase in exports till 2014 where it reached to peak 322.69 billion US dollars. Next year that is in 2015 it decreased to 267.44 billion US dollar. In 2016 also it was stagnant at 264.02 billion US dollar. It is estimated that by 2020 their will be tremendous growth in export. Even government is reducing import of various products and focusing on make in India. For instance the production of paper notes for Indian currency the raw material paper used to be imported but now government is making that raw material in India only. This shows the increase of exports and focusing on the core product production of India such as handloom, sugar cane, grapes and so on. Even it contributes to the Indian economy. Various sectors have been focused by government to go globally i.e. Service, Agriculture, Manufacturing, IT where India is excelling.

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Challenges

There are many challenges companies are facing in India but that is not an obstacle for it. Neighbour Countries are also focusing on India for the purpose of manufacturing, software and service Industry.

- Revolutionary changes in the market environment and nature of work are pushing managers to challenge how their companies organise work.
- More sophisticated strategies typically involve different key activities that create new organisational requirements.
- Coordination by mutual adjustments require managers to interact with counterparts to enable flexible coordination mechanisms.
- Management should re-evaluate information needs periodically to keep costs down, and it should ensure that information is being used effectively.
- Sharedownership usually makes control harder than it would be with wholly owned operations, but there are mechanisms that work. For example, Nestle shares ownership with coca-cola in a joint venture in production and sale of canned coffee and tea drinks and Nestle has less autonomy for this operation because coca-cola has an equal voice in decision making.

- Tax and liability differences for branches and subsidiaries.
- The global supply chain links need to be strategically planned.

Conclusion

Although global competition brings more efficiency, it also requires companies and workers to expend more effort. The best way of conducting business may differ by country. An example of Johnson & Johnson company sells in virtually every part of the country. Countries levy trade restrictions to coerce other countries to change their policies. Companies need to go international with their products being competitively quality, cost effective and create a brand. Last but not the least Companies are challenged with various factors to sustain in Market.

“If you don’t drive your business, you will be driven out of business.” – B. C. Forbes

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