Development of Global Strategies

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Resources should be a concern in a global strategy, as they determine how an organization will perform in the international market. Some of the resources needed to build a resilient and effective global strategy include raw materials such as Textiles, skilled labor, adequate finances, and commitment and efforts from senior management. According to Lynch (2014), building a global strategy is capital intensive, and an organization should have the finances needed to set up their business in an international market. The organization should also have the finances needed to run the business, and to market their products to potential customers.The availability of finances will also impact how an organization approaches innovation and quality management, both which will determine its success in the global market. For instance, with adequate finances, an organization can hire highly versed employees, invest heavily in research and development and closely monitor the quality of its products.

Raw materials are others resources that should be of concern in a global strategy. Since raw materials are used in the production process, they have a direct impact on the cost of production, and the quality of goods produced. For instance, if the raw materials are of poor quality, there is a high chance that the organization will manufacture subpar products. Commitment from senior management and, availability of skilled labor are other resources that influence the success of a global strategy. If the senior management understands the benefits of going global, they will work hard to ensure that the strategy succeeds (Lynch, 2014). Human labor is another resource should also be an issue of concern in a global strategy since employees are involved in the production process. Without the right raw materials and employees, an organization cannot manufacture high-quality products. Overall, resources should be a concern in a global strategy, as they will determine whether or not an organization will succeed in the internal market.

Resources should be an issue of concern when expanding into China since they will determine how the company will perform in this market. Before going global, the company should first determine where raw materials and other resources are available (Lynch, 2014). The Fabrics being used in the United States cannot be used in China due to the laws and regulations that prevent the company from shipping the fabrics oversees. If the fabrics are not readily available in China or nearby countries, it will be difficult for the company to set up a manufacturing plant in China. The company will also require finances to set up and run industries in China and to market its products to the Chinese market. If the finances are not available, it will be difficult for the company to successfully expand into China. The availability of skilled labor may also be an issue of concern in China. Since the company manufactures high quality, custom made products, it might be difficult find adept employees from China.

The availability of adequate finances, skilled labor, and raw materials will determine whether or not; the company will move into expand globally (Lynch, 2014). If there are no reliable sources of high-quality Fabrics, the company cannot move to China, since it is impossible to Ship fabric from the United States. The availability of adequate finances will also impact the decision to move to China. If the company has no finances to establish and run its business, it might be forced to remain in the United States or consider moving into cheaper countries. Lastly, availability of skilled labor will also impact the decision to move into China. If there are no skilled employees, the company might find it difficult to move into China. For instance, without skilled employees, the company cannot manufacture high-quality products, even if raw materials and finances are available.

The availability of resources will impact our competitive strategy in several ways. First, if quality fabrics are readily available in China, the company can adopt a cost leadership strategy by offering its products at lower prices to consumer. This approach is possible since number of suppliers is large, hence their bargaining power will be low (Kurt, & Zehir, 2016). If the company has adequate finances, it can ship train local talents rather than outsource employees from the US, and other countries. This approach will lower the company’s operation cost, allowing it to produce goods at low cost. The availability of well-versed employees will impact the company’s ability to manufacture high-quality products. This would, in turn, allow the company to adopt a differentiation strategy, which will give it a competitive edge over rivals.

References

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