Global Enterprise Management

Introduction

The global marketplace has enabled organizations to grow well beyond their physical boundaries, providing them with access to consumers located in almost every corner of the world. Enticed by the prospect of rapid growth and financial success, emerging countries have ambitiously cast their die into the marketplace alongside their well developed and industrialized counterparts. Globalization has made it possible for both veteran and new-to-market companies to compete equally for the same customers and resources, leveling out the playing field for companies of different sizes and experience levels. In order to capitalize on these new opportunities, businesses need to develop a solid management model that is capable of dealing with multinational projects.

There are three management strategies to be considered by companies wanting to excel as a global enterprise. These strategies include implementing an effective organizational structure, successfully managing talent, and developing a differentiation strategy. The three management strategies for global enterprise organizations are described in further detail below.

1. Implementing an Effective Organizational Structure

As organizations continue to expand globally, they are faced with the challenge of properly restructuring their managerial and business models so that they can remain flexible, adaptive, efficient, and quick to respond. Heavy layers of management and approval processes often make it impossible for organizations to develop and deploy products quickly and efficiently. Mature, large companies, such as IBM and Ford Corporation, experience these problems on a daily basis. These companies need to restructure in a way that allows them to remain agile and adaptive while still being able to provide the necessary controls and leadership that contributed to their past successes. Likewise, organizations that are very structured and rule-oriented are constantly challenged by changing market conditions. For instance, companies with traditionally structured organizational hierarchies, including Boeing and Budweiser, must ensure their management structure does not hamper flexibility, innovation, or the quality of their products.

In order to remain flexible and adaptive, many organizations are establishing critical business centers at local and regional levels to ensure proper market responsiveness. Using this structure, organizations are able to stay abreast of local market conditions to ensure that consumer needs and demands are being met while paying close attention to cultural sensitivities and economic indicators. Another structural trend is for organizations to relocate different operational functions to areas of the world that are...
best suited for meeting specific needs and requirements. Crocs is a great example of a company that has been able to effectively and efficiently meet worldwide customer demand for their shoes by implementing a decentralized manufacturing model. Regional factories and distribution centers have been established around the world to allow for local flexibility and reduce the shipment times to retailers, both of which had previously plagued the company when it had relied on a centralized warehousing model. To be successful, organizations, like Crocs, can no longer hold on to old habits. For the organization to outperform competitors, its structure needs to remain efficient and flexible to accommodate the ever-changing global marketplace.

2. Successfully Managing Talent

Attracting and retaining good talent is a fundamental challenge for many organizations in today’s world. However, it is even more of a problem when looking at the talent pool necessary for a successful global enterprise; this problem exists for both leadership positions and professional workers. Many positions are filled using tenure or political affiliation tactics instead of earned merit, often resulting in the wrong person being hired for the job. In addition, an organization’s acceptance of diversity also plays a significant role in having the right talent assigned to the right role. The more diverse the organization’s talent pool, the more similar the workforce will match the global consumer in regards to gender, race, age, ethnicity, religious preferences, sexual orientation, and disabilities. At times, an organization just does not have enough local talent with the necessary skills required for the job. In hyper-growth countries such as China and India, management skills are desperately needed but are often in short supply.

To overcome these talent issues, organizations must proactively recruit, hire, and promote the right talent for the global enterprise to thrive. Managers must look well beyond their existing talent pool and country borders to fill spots critical to the business. Companies should consider implementing a global diversity plan in order to assuage some of their shortcomings. Employee pay and benefits should be carefully reviewed on a regular basis in order to attract top talent and cultivate internal loyalties.

3. Developing a Differentiation Strategy

The marketplace is inundated with similar competitors, products, and services. In order to stand ahead of the crowd, organizations need to adopt a true differentiation strategy. Think of it this way, if both Company A, based in China, and Company B, based in the US, sell paper products (e.g. envelopes, printing paper, stationary, etc.) to consumers, then what would make you buy from Company A versus Company B? A company’s differentiation strategy or lack thereof, is often the reason why so many businesses fail when they try to enter the global marketplace.
To combat these issues, the global enterprise must find a way to create a product that serves a consumer’s unmet need while proving unique in comparison to similar products offered by competitors. A product can be unique based on its function, features, quality, price, or service level. By carefully designing, evaluating, and marketing their products to meet the needs of specific consumers, companies will have the opportunity to stake significant claims in markets located throughout the globe.

**Summary**

- Globalization has created significant opportunities and challenges for organizations competing in the global marketplace.
- In order to thrive as a global enterprise, three management strategies should be considered by organizations: 1. implementing an effective organizational structure, 2. successfully managing talent, and 3. developing a differentiation strategy.
- For an effective organizational structure, the global enterprise must arrange its internal practices for flexibility, efficiency, and responsiveness.
- The global enterprise should disperse business centers at local and regional levels for optimum efficiency and responsiveness.
- Talent management is a critical component to competing globally and is full of issues including political hiring practices, a lack of workforce diversity, and a shortage of skilled workers.
- Managers should build a talent pool that is diverse, skilled, and located across the globe in order to match the demands placed on global enterprises.
- A differentiation strategy is essential for a global enterprise to sustain or gain market shares.