

VENTURING GLOBAL: STRATEGIC ALLIANCE AND CHALLENGES

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Abstract

This article communicates some strategies for venturing global between United Kingdom, United States and West Africa that are three different regions of the world. In today's environment it is imperative to identify opportunities for growth, sustainability and rethinking globalization to maintain a competitive edge. Company executives must be committed, and involved while building relationships. Allowing for flexibility is very important knowing that global initiatives as an excellent idea today might be different the next day. For instance, United States companies are motivated to establish overseas business locations because of lower wages paid for labor, absence of employee benefits to pay for operations in the foreign countries, exemption from environmental and safety regulations with no obligation to remit foreign taxes when products are exported. Also, the levies that United States established businesses pay to overseas management in form of property and corporate income taxes are enormous. Corporations in a foreign country are the recipient of hefty tax rebates which is an opportunity that many companies want. Therefore, strategic alliance between United Kingdom, United States and West Africa would be beneficial for the three countries in today's fast paced global economy.

Keywords: Strategic alliance, Venturing Global, Strategy Implementation, Bilateral agreement

INTRODUCTION

Strategic Alliance is when two or more parties enter into a mutually beneficial relationship to follow a set of contracted goals to satisfy a crucial corporate need while continuing as an independent organization. This can involve resources such as products, technology industrial capability, project funding, knowledge, expertise, shared expenses and shared risks. The alliance is a team work relationship with the assumption that the benefits from the alliance will be greater than those from individual efforts. Multinational corporations can make use of teamwork and cross functional teams to overcome labor issues (Quinn, 2004). This necessitates a profound appreciation of people, process, and technology, and gratitude with

trust. A new management, capacity, and control systems must be designed. This methodology necessitates that every level of the organization including employees, and all stakeholders must buy into the strategic alliance idea and be aggressively involved in an ongoing way (Quinn, 2004; Hrebiniak, 2006).

All domestic companies whether small, medium, or large can invest globally in a different country. International business perceives the biosphere as one market while focusing on inspiring a global culture that involves everyone within the company (Zimmerman & Scarborough, 2010). For example, global corporations go into planned alliances with customers, sellers, and other business associates to save time and resources (Hofstede, Hofstede, & Minkov, 2010). Sense of balance amongst the pressures for global amalgamation and local sensitivity is vital for success.

Impact of any bilateral relationships, multilateral agreements, and regional agreements
Bilateral agreement in relationships commonly takes the form of a legally binding contract. The contracts are drawn between two corporations. Currently, the agreements with developed countries include investment agreements that can integrate the elements and standards preferred by the developed countries. For example, United States and Singapore Free Trade Agreement allows for an extensive delineation of investors and investments. On the other hand, multilateral agreements can occur between three individuals or agencies like multilateral agreements between several countries. This is usually the result of an acknowledgment of shared ground between the various parties involved concerning the issue. However, regional agreements are established in terms of political, economic, scientific, cultural, and legal matters. The probability of concluding regional agreements is set forth in the United Nations Charter, which expressly singles out agreements that are targeted at keeping international peace and security in the specific geographical area. These agreements are generally determined to resolve local disagreements on the foundation of the United Nations Charter (Sachs, 2006). Parallel local organizations are formed on the basis of regional agreements like the Organization of African Unity (OAU). Hence, there exists the challenge for free trade promoters of telling the community and representatives of the qualities of undeveloped global markets as well as hypothetical and real-life questions on security.

Entry strategies

Establishment of clear goals, vision with strategic plan is the whole organizational plan that includes all stakeholders and the community at large. It takes into consideration diversified opinions in a diversified environment recognizing the importance of human capital, ethical considerations, and strategy for execution and follow-up. Strategy will be at the business and corporate level (Davila, Epstein, & Shelton, 2006; Hrebiniak, 2006).

Marketing Strategy: It is important for the organization to do a market survey and identify opportunities for growth in other countries. This marketing strategy involves having the right marketing mix to attract target customers and build relationships. Building cross functional groups instead of spending resources on research and development will aid innovation, and growth. So, it is important to analyze successes and learn from mistakes (Davila et. al 2006).

Analyze Market Environment: Market analysis must be considered with customers, competitors and the industry itself. There are many variables associated with a global market so the market and technological environment should be part of the decision making process for successful growth. Open communication and access to information helps build self-improvement and shared insights for organizational growth (Quinn, 2004; Hofstede, 2010).

Use of Joint Ventures: This method lowers the risk of emerging global markets; success is based on selecting the right partner and creating common goals to decrease problems. A national joint venture is where two or more small companies form an alliance to export goods and services abroad. The local partner expresses valuable knowledge of the local market, method of operation, customs, and the tastes of local customers (Zimmerman & Scarborough, 2010).

Obtaining Foreign Licensing: This is the easiest for many business owners because it involves diversification into global markets with almost no capital investment. Licensing for example can involve; finding someone already in the home market to tap into the market opportunities available. It might be necessary to obtain from the beginning proper patent, trademark, and copyright protection to reduce risk (Zimmerman & Scarborough, 2010).

Establish International Franchising: International franchisers can sell virtually all types of product or service. It is very important to adapt products and services based on the local environmental culture, and tastes. In addition, the exchange rate is important. Trade within nations involves a single currency, but trade between nations involves different currencies. For instance if another country like the Nigerian automobile dealer wants to purchase American cars, the Nigerian dealer must first trade the Nigerian Naira for dollars. Despite this process, trading allows for efficiency and increased specialization.

Exporting: Large companies dominate export. However, immense opportunities exist for growth of small and medium businesses in other countries. Exporting can boost company sales and accelerate growth rate (Zimmerman & Scarborough, 2010).

Establishing International Locations: After established in West African international markets, United States can set up stable locations there. Launching an office or a factory in a foreign land can require substantial investment over the budgets of some companies (Zimmerman & Scarborough, 2010).

Implementation of strategy in the new subsidiaries: Identifying all available business opportunities and strategically planning for execution as Hrebiniak (2006) shows is very important in order to establish presence in other countries. The planning process will include market evaluation, choosing the best alternatives, recognizing competitors, providing employee training and learning, as well as keeping up with trends in the external market environment is critical. Emphasis should also be placed on analyzing the economic, technological, political, legal, cultural, and social environment. New creative ways of doing business should be adapted to the market environment that is constantly changing which involves using solution focused learning for strategy planning and execution (Hrebiniak, 2006). The process of Solution Focused Learning (SFL) includes: Identifying and diagnosing, Research, Design, Implementation, and Evaluation.

Strategy Implementation Recommendations

The business strategy can be centered on the whole production with a concentration on group management, divergence, and distribution of resources. The emphasis should be on merchandises and amenities, market rivalry, economical advantage, market diversity, and practical plans. It is important to evaluate the operational element of the entire business. Governmental involvement can be in terms of international divergence for company growth and profitability. Integration encompasses assimilating the corporate and business strategies. So, management must anticipate translation of tactical long term strategies into short term operating objectives and achievement plan. Importance will be placed on various periodic schedules to manage, minimize and monitor risk for public good. As shown by House, Hanges, Javidan, Dorfman, & Gupta (2004) employee motivation is very important. Without the assurance of participation from everyone prior decisions and actions can be interrupted. A compensation system for inventive ideas or a form of training as an educational process can be made available. This shows that structural culture and location affects the behavior of workers positively or negatively.

Leaders must study and encourage collaboration when introducing diverse work styles to the organization. At the place of work, the culture must be open, and appreciative of individual differences of workers' (Harjrom & Pudelko, 2010). This will ensure that workers of all distinct cultural backgrounds feel at ease, acknowledged, and valued for contributions. Also,

there will be unity of employees from diverse circumstances working together as teams (Reiche, Carr, & Pudelko, 2010). In West African countries for consensus, equality, unity and quality are highly valued in the work environment. Hence, conflicts are fixed by compromise; negotiation and incentives that are elastic are preferred (Hofstede et al., 2010).

Behavioral Expectations from Minority Members in these Regions

Hofstede et al. (2010) demonstrates ways to develop transparency in the marketplace and identifying of relevant issues such as: e-commerce fraud, dispute resolution, security of personal information accountability, children, digital content, and behavioral marketing from minority members in these West African countries. Commercial aspects of new web tools such as face book, twitter, and internet auction sites can also be of concern. Since each business behavioral approach to regulations differs to a large extent, the complexity of issues increases, consumer rights and obligations also varies.

Impact of Technology on Minorities in these Regions

E-Commerce uses the internet in the buying and selling of products and services over the computer networks. This involves transactions between businesses; and electronic commerce between businesses and consumers. The internet is a form of technology that has reduced physical barriers to communication allowing all humans free interaction globally. Accountability becomes extremely important with the development of new technology and new products; new technology requires careful accountability (House et al., 2004; Hofstede et al., 2010). This necessitates taking into account issues involving transparency, resolving conflicts, compensation, and implementation challenges.

High ethical standards with technology communication demands that consumers' information should be well protected in E-commerce transactions to build trust in business activities. Current guidelines should be updated and reviewed in a fair, cooperative and consistent manner for positive changes. This should also include intergovernmental guidelines such as the technology standards developed by the International Organization for Standardization (ISO) and consumer policies, and the United Nations Commission on International Trade Law's model law review on electronic commerce (Sachs, 2006).

Influence of Individualism and Collectivism on Workers' Behaviors in these Regions

Individualism can inspire exclusivity which is useful in the creativity of something new. Collectivism in work environment encourages responsiveness to customs, and can be more

creative than unique groups when given unambiguous orders on creativity. There should be a balance between individualism and collectivism values may be beneficial in global business relationships between countries for success taking into consideration the cultural values.

West Africa is a collectivistic family oriented society as shown in the long-term obligation in business and personal relationships. Trustworthiness is emphasized where everyone is involved in taking responsibility for others in the group. So, the environment is one that encourages employee group work and management group relationship as well (Hofstede et al., 2010).

CONCLUSION

In strategic alliance, individuals must rely on each other in the performance of daily work requirements. It is vital to look at businesses as a complete system. Collaboration and open communication is very important for operational efficiency and overcoming obstacles to the implementation of the strategic alliance. Cultural diversity organizational strategy, respects variances with the aim of achieving equivalence of prospects in a customarily differentiated global market. Assurance will be replicated at all stages of the chain of command to consumers in all the countries involved (Stiglitz, 2003; House et al., 2004; Sachs, 2006).

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