

China Represents A Very Attractive Market

Today's companies practice offspring, outsourcing and relocations due to various reasons and move point of production and manufacturing to another countries due to several factors China is one of the most high demand countries when it comes to such decisions companies without any fear rely on their relations to a country like china because of its resource and benefits they could enjoy as a firm., as globalization is becoming a increasing concern The growth of globalization creates both opportunities and threats for individuals, companies, and countries. The conduct of international business is distinct from that of domestic business because companies must operate in diverse foreign environments and must engage in specialized types of transactions, such as exporting and importing and currency conversion.

The chosen company is Nokia which is multinational company which is located in several parts of the world the manufacturing is ongoing in 8 countries and other offices in several regions. Nokia manufacturers their mobile handsets in china and have been running manufacturing activities I china for some time now. The design, interface and other parts of the mobile handset is done in Finland or by the original developers the manufacturing of battery and the outer surface is done in China to give the final product, also packing and other needful functions such quality assurance labeling and so on is done the same time. All this is done through skilled labor who perform duties in efficiency and also give the company reasonable return on their investment, the most important the services rendered from Chinese and other local workers very reliable due to their skill and talent.

INTRODUCTION

Connecting people being their vision, Nokia is one of the most commonly used mobile devices by about 1.3 billion people worldwide, from the most basic functioning mobile to a complete Smartphone with extravagant features, it is Nokia that has been catering to the needs of the general public giving affordable and unique mobile phones.

'VISION'

"Connecting People"

'MISSION'

"Our goal is to build great mobile products that enable billions of people worldwide to enjoy more of what life has to offer. Our challenge is to achieve this in an increasingly dynamic and competitive environment."

Fredrik Idestam started off through paper mills, rubber and cables in south western Finland moving on to further diversification in 1865 and later becoming a powerful industrial conglomerate. In 1987, GSM (Global System for Mobile communications) was adopted as the European standard for digital mobile technology, its high-quality voice calls, international roaming and support for text messages; GSM ignites a global mobile revolution. Taking full advantage of new technology Nokia introduced the first digital GSM handheld phone which was taken by the Finnish Prime Minister. In 1998, they became the leader in Mobile phones with their decision to focus on telecommunications and investment in GSM paid off giving them turnover increases of fivefold from 6.5billion to 31billion Euros.

In 2005 they sold their billionth phone – Nokia 1100 in Nigeria and their subscriptions passed 2Billion, they later went on to become the 5th most valued brand in the world. Their toughest competition however remains the Smartphone segment, creating eco-friendly handsets and establishing phone recycling schemes by bringing the benefits of mobility to emerging markets, with Stephen Elop as their CEO currently Nokia ranks as the world's most sustainable technology company. Having dominance for over decade Nokia now possess threats from Apple and Android as their competitors and also combines with software giants such as Microsoft to enhance their position in the Smartphone industry. "The industry has shifted from a battle of devices to a war of ecosystems." Stephen Elop, President and CEO, Nokia.

Barriers in terms of China's perspective

China may be one of the most booming economies and are on the top of the wish list of firms for investment and relocation purposes however there's a lot more the country has to deal with such as crisis, ensuring financial stability, suitable market conditions for companies to keep coming in which I helps them to generates reasonable return, Some of the main reasons why china may not be able to adapt these modern technology and management skill are due to,

Difficulty Language proficiency: Chinese face huge barriers when it comes to communication a larger section of Chinese do not speak English and even if they do it is very difficult to understand their pronunciations.

Large population: china has one of the fastest growing population they and in the top 5 with India and Russia, this has in turn led to limiting the number persons per family, years ago the popN was 1.174billion, this also impacts the national income and GNP GDP and so on.

Low income levels: another barrier which limits Chinese to adopt these modern management techniques and technological advancement, with higher levels of income people tend to spend more increasing the economic growth and income levels as well.

Agriculture related market: almost 60% of the population is into the agricultural related business, china is widely known for its agro based industries, even if they are employed in other jobs research shows people 50% or more are still engaged in the agro business which is more of a tradition to them.

Developing economy: china is still a developing country and their industrial governance are of done by themselves which does not ensure much success while some of the human resources limitation also have to be overcome such as the country's social and cultural factors are a usage barriers in terms of growth. Their economy has grown since the 90's at a reasonable rate making them one of the major powers in the world today.

Benefits in terms of china's perspective

The various reasons why many leading international organizations around the world have established manufacturing operations in China will be discussed below to justify the presentence of big names in the Chinese land; also these factors will show how globalizations n or rather external factors of a country can impact a business in different ways.

Skillful in reverse engineering: Chinese have been extremely specialized in this area they are talented in reverse engineering products it may be defected or an old product they would still be able produce something useful out of it this is very handy for stakeholders and also saves cost and could help in making something very useful

Large number of skilled labor: they have a large number of skilled laborers which makes it very assuring for the foreign companies to bring in investment and run businesses in china. Skills and technical know how is key.

Low wages and salary rate: the wages are cheap and affordable for the companies to manufacture mobiles phones Nokia can save a lot of cost then back in Finland or other countries

Extensive land area: they have a large land area allowing stakeholders to take up lands and properties for lease for a fixed period but not owner ship that is 10 years and so on giving them the freedom to make maximum use out of it.

Infrastructure is sufficient with road networks and widespread geographical reach: infrastructure facilities are another advantage which is great advantages to them they should be able to make use from this. Their geographical are is widespread and have road network and highways and other facilities in abundance they have sufficient ports, well built Airport facilities and dedicates cities for various products for examples Guangzhou is a city where one could purchase electronics, Woozan is specially a place to purchase ceramics, toilet fittings, tiles and so on while Evo which is famous for toy products, these strategies are done in terms of industry specific development, this has attracted business people from all over world to come and do their business, shootings and imports through china.

Abundant resources of raw materials: raw materials are cheaper and affordable, business men from all over the world travel to china to purchase raw materials for their business simply because it is affordable and cheaper.

Tax and duty are reasonable: taxes and levy duties area affordable and reasonable unlike other countries, no heavy charges allows businesses to reduce cost and also take care of their budgets and not worry about customs and so on.

Political, Cultural, legal, technological, competitive and other factors that shape the strategies of multinational organizations in this world of globalization

China is an emerging economy that offers lot of market opportunities for foreign investment. Although the country has a huge potential for economic growth offering access to a large market and considerable savings in labor costs, caution must be used due to differences in the political and cultural environment that create risk and pose uncertainty for foreign investors.

Political factors

China has a communist government which makes a little usable or unreliable in terms of a countries perspective their political issues need to be sorted out as this impacts the countries growth directly and indirectly to some extent. At the same time, China's economic growth and reform since 1978 has improved dramatically the lives of hundreds of millions of Chinese, increased social mobility, and expanded the scope of personal freedom. This has meant substantially greater freedom of travel, employment opportunity, educational and cultural pursuits, job and housing choices, and access to information.

Economic:

China has been manipulating the exchange and currency the holdings of its currency at an artificially low level. The currency appreciated 21% against the dollar through July 2008 and then went flat as Chinese authorities were concerned about slipping exports. Inflation rate is the general rise in prices measured against a standard level of

purchasing power, prices dropped 1.5% from last year, after falling at the beginning of last year these prices lower the costs on goods and encourage consumers to spend. These changes are uncontrollable and can vary therefore these factors are crucial

Cultural:

The problem is efforts to reduce the rate of population growth, government has promoted to have only one child. Rewards such as better opportunities for one child are given; another issue is the concept of being Chinese is not based on race. Rather, it is a cultural concept. To speak and behave like a Chinese--in short, to accept the Chinese system of cultural values--is to be Chinese. Religion and other values also directly impact the system which vary from different persons.

Legal: employment regulations, labor laws and organizations will need to know all possible regulatory requirements prior to investing; Nokia is one of the well established firms in the world and have remarkable presence to deal with such issues in the country.

Technological: is an area where they will have to improve however they have made certain advancement in this area are developing as much possible, again there are several factors that hamper this factors and can be changed with proper governance, this is one of the main barriers to adopting modern management skills.

Competitive: these factors are related to the competitors could be by organization or country, such factors are uncontrollable, and need to be watched through continuous market research and awareness , one of the main areas where the government and company will be working towards to keep up to date information.

Knowledge and skills needed for effective management of people and processes in global context

Skills

Effective Communication & cooperation: is very essential, sales, marketing and other department need to integrate properly and ensure proper communication is taking place in all levels, this is a very important aspect and this factor could give the competitors a lot of competition, In other words they need an open end communication.

Good team work: there should be proper team work, employees must have a high spirits and motivated towards the goals of the business which has to be done by the top management would say since they carrying Adidas tag they need to focus more on this.

Fair appraisals: Appraisal, recognition and rewards must be fair and done regularly to the employees to keep their morale high and intact.

Self & skill development: trainings and development for both professional and personal growth is another competency which is required to keep the employees motivated and in form.

Additional Business management skills: the plan is to hiring experts who are skilful in a particular field are the most suitable that is hiring employee who were previously working in the similar field and have a knowledge of how the entire process from manufacturing to packaging is done.

English Language skills: as motioned earlier Chinese people do not speak, read or write English Language very fluently or even the basics are known by very few, this is one of the main skills they would have to improve on in order to remove such barriers, communication is a key factors and if they could work on this will be very worth the effort.

Processes

Franchising: this is another easy way and a benefit from the economies of scale that is by signing deals with places like local battery manufacturers or other authorized outlets where they sell all types of products under one roof, franchising at once would however be difficult but after people know about the products it will be easier to do the same. For example the concept of selling Nokia phones under soft logic is a franchise in Srilanka

Financial resources of the firm: any business requires strong financial resources in order for effective business and decision making to take place; any business wants to earn higher profits, proper sales, loyal customers and so on. All this can be done if the company is financially sound and stable therefore especially when dealing with products like Nokia , Samsung which are well reputed in the market.

Human resources & Material resources that are required: this is another important aspect that is the human resources and the materials (raw materials and other) have to be managed, selected and maintained very effectively as they are the people who deal with the customers and let the plans take place accordingly. Sales, finance, technology and all other departments must consist of efficient employees.

Conclusion: By practicing the above methods we could strengthen and maintain business for the long term survival and to gain profits, there needs to be reasonable return on profits as the bank loan would be dependent on the amount of money earned from the business.

Complexity and application of corporate strategy, global strategic planning and international trade in multinational organizations

Importance of international trade: is very essential to any country; below there will an analysis done on why international trade is important to the related organization and to the country.

Enhancing the domestic competitiveness: competitive international trade makes the companies work more towards the achievement of better result domestically before going to the international level, this motivates them and helps them to achieve better trading between countries and increasing the balances of payments as keeping it positive inflow and outflow of cash, This will allow them to have a more competitive environment with its competitors as they will all try to enhance thought using the benefits of positive international trade.

Gain global market share: it helps in increasing the global market share and build a strong image of the Nokia all over the world, Nokia will gain a global market share which will encourage more business and trading within the country n and with the outside markets, they need to maintain clean background of the activities and ensure that a proper structure and flow is followed thoroughly.

Enhance potential for expansion of your business: it is important for the enhancement of and expansion of the business, as it will help Nokia mobiles to expand their business with good trade facilities and also encourage more trading business with other nations which will increase the net imports and export again for the benefiting the economic conditions and political stability.

Maintain cost competitiveness in your domestic market: it helps in maintain the cost competitiveness in the market which is essential, means to maintain the stability with reasonable costing and also to make it convenient to the countries transactions. that is if there is less inflation in the country then it will benefit them to keep prices to minimal and decent pricing with enough profits to be earned but if the inflation is high then all costs must be increased which reduced customers interest to buy the product.

More variety & quality of goods available for consumers: it helps on providing the customers with more variety of goods and quality as well. That is when imported from outside countries like sure and middle - east provide better quality of goods while china is another region for better quality products and affordable costs. for examples the mobiles charger we purchase from Sri Lanka is not durable as the one we purchase from china or other places as these are manufactured from other countries which be beneficial to both the country and the company. They produce various types of precuts for different markets in the world, that is low cost for the African regions and high priced or medium prices for Europe, these chargers are of better quality and can be used for a longer period of time.

Closer ties between nations & more exchange of technical know-how: It helps in bringing closer ties with other nations and this helps to expand their chances for other economic and political factors, it also provides proper knowledge and skill with respect to the area they work or specialize in. Nations need to have peace and understanding their actions. It is important to have clear considerate relations between each other.

After analyzing the importance of international trade, it shows the balance of payments and exchange rates are highly dependent in the performance of the economic and political stability of the country and how important it is for any country.

Like mentioned it is very essential to have economic integration and a good involvement with the global markets, since this is an overseas based company it does not face much problem in that context, it is recognized all over the world and has a strong presence as mentioned in the company performance above. Since we know that most global markets are far less integrated than their domestic counterparts there need to be measures taken to build these relations and show concern and interest in building these amongst them. Here the team behind the political stability and economic stability of the country need stop make efforts.

Taxation, rational, employment and various other policies, the monetary fund and World bank also come in here when they decide aids loans and other are crucial to the manufacturing firms in China Nokia they multinational company have various benefits in this aspect but yet they will need to face certain benefits and threats when it comes such as external factors in a country like China. International trade and other policies are reasonably set by the law but are prone to many threats, procedures etc.

IMF was formed with the intention of having trade barriers between countries and to stabilize currencies by monitoring the foreign exchange systems of other countries and lending money to developing nations.

Conclusion

To conclude it can be said that International management or the plan of off shoring are very strategic and have to be preplanned properly, it gives a clear understanding of the real world of global business and multinational corporations which can be better understood as mentioned through Nokia's manufacturing operations taking place in china, these factories operate very systemically and have various factors that relate to it prior to implementation.

There are various reasons discussed as to why china cannot adopt to some of these modern management skills and technological advancement, also discussed are some of the benefits the Chinese have from the rest of the countries. There are a number of External factors that actually affect the business and needs to be analyzed well as it will directly affect the functioning of these businesses.

Similarly there are some skills and knowledge that will be required in order for such manufacturing or proper management to take place by the Chinese which may be lesser as compared to other countries due to various valid reasons, processes that need to be enhanced in order for plan to be effective and also certain essential resources which need to be available in abundance or sufficient at least without becoming scarce.

Also shows the importance of international trade in multinational corporations and how global strategic planning is a key feature in the success of the company. Nokia is one of the largest mobile manufacturing firms with factories in various countries and one of the most important aspects is knowing the global context of the business due to which they have achieved such high success.