

Original Article

Business Strategies Influences in global Business for sustainable growth in Economic development

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Abstract

Communications and transportation technologies constantly change the world. The ease of interactions and transactions they afford has given rise to global business. However, just because being a global business is more possible doesn't necessarily make it easy. Business leaders and managers have many business strategies to create success in international markets,

Technology which is the inevitable two tendency of the last century becomes a very effective especially in the business arena and reshapes the phenomenon of business competition. Increasing the pressure competition day by day when world is shrinking continuously plays a role as the driving force in the Business competition which is the primary purpose of profit maximization of enterprises. A business process is composed of implementing various strategies on the assets and liabilities in a common pool.

The process of transformation occurring in business structures is investigated by explaining the changing face of competition in the first part of the study within the framework of globalization and Business growth concept is described in detail that is fundamental dynamics of this transformation to process the business successful. Theoretical information that related to take business mergers and acquisitions are given as Business strategy on the second part.

1. Introduction

Globalisation is the process by which the world is becoming increasingly interconnected as a result of massively increased trade and exchange the culture. Globalisation has enlarged the manufacture of goods and services. The major companies are not extended in national firms but multinational companies with subsidiaries in many countries. Globalisation has been attracting for hundreds of years, but has speeded up enormously over the last half-century. The growth which is the overall objectives of enterprises changed the quality from being objective to necessity and began to be effectively in the economic arena based on the rule of nature "big fish eat little fish". Growth because of a force that reduces unit costs is a process that usually has positive effect on operational effectiveness.

2. Areas influenced by Business strategies

Business strategies can be influenced in two broad categories: market globalization and production globalization. Market globalization is the decline in barriers to selling in countries other than the home based country. This modification will make it easier for the company to begin selling products internationally, since lower rates keep consumer prices lower and fewer limitations when crossing the boundaries it easier for a company to enter into a foreign market. It also means that companies must study other cultures when developing their business strategies and potentially adjust the product and marketing messages if they aren't appropriate in the target country. This may not be an issue in the camera manufacturing, but a hamburger company entering India would definitely need to revisit their product and strategies to be successful!

Production globalization is the finding of materials and services from other countries to gain advantage from price variances of different nations. For example, you may buy materials and gadgets for your cameras from multiple countries and then assemble the product in another international location to reduce the costs of production. This alteration should lead to lesser prices for consumers, since production cost less to produce. It also influences jobs, since production may shift from one country to another country, usually from more industrialized countries to less industrialized countries with lower average wage rates.

The concept of everyday life has a very wide area affected by the national politics, international relations. One of the most important

economic developments that induced by global business, is change in the ways of doing business, Businesses are forced to follow an effective business strategy to get a share from markets where increasingly intense of competition, especially from the result of globalization and technological advances.

3. Causes of Global Business:

3.1 Technological Factors:

Today, information technologies that gaining popularity by getting cheaper with an extraordinary rapid exchange between nations accelerates the global transformation. Communication and explosion in computer power, has accelerated the power of global financial markets

3.2 Ideology Factor:

Especially after the collapse of the Eastern Bloc increased sense of confidence to the liberal market economy. Indeed, despite of all the costs in a short time former planned / statist economies have engage in an effort to exploit the opportunities of free trade and foreign capital in the process of mechanism. In other words, one of the greatest obstacles of globalization has been exceeded after the destruction of the walls.

3.3. Economic Factors:

The development process of globalization having increased volumes of economic activities in search of Opening foreign markets especially after the crisis of the 1970s saturation of domestic markets in developed countries, are the Some economic factors that brings out of the globalization process

Business Growth in Business literature represents quantitative and qualitative development of the enterprise. Digital development, in other words volumetric development, represents the quantitative increase in capacity utilization according to the business (production quantity), sales revenue, product diversification, the size of the source (the number of employees, capital size, etc.) and asset size (size in investments). But growth as an attribute relates quality development of the business elements. It is difficult to express the development as numerical. But it could be argued that, assumption that shows in numerical development of a growing business as an attribute, with quality development in a sense, the numerical growth have a same results . Enterprise size defined as the capacity and the volume of economic activity of businesses is not an easy matter to determine in

real Despite to specify a concrete integrity it. Measurement of the size of the business is based on certain criteria. They are listed as follows

The purpose of the economic growth in business is to provide development opportunities of business before their competitors and to help the resistance and give easy struggles in the moment when face to face with difficulties. Also, deciding to expand the business is an indication of the importance given to him by the owners and managers. To aim Business growth, imposes the necessity of fitting order to changes and innovations in future more than having the opportunity to better recognition of environment and operate the established order of managers.

When we look to the main reason that lies behind the economic growth demands of businesses, we can see that businesses have shown an overall similarity with the objectives of these reasons. Making a profit, existence of a desire to continue and social responsibility are in the beginning of these objectives

4. Business Strategies

Growth of businesses happens in many ways. For this reason, growth strategies show variety in small, medium and large enterprises. Business can grow by purchasing other enterprises with their own internal facilities or by combining resources with other operators.

Business strategies, divided into the organic and inorganic, like the inner and outer growth. Intensive growth strategy, diversification strategy and the modernization strategy are the organic strategies that applied by management. Merger strategy and co-investment strategy the inorganic strategies that applied by management.

- Organic Growth (Internal Growth)

This growth accomplished through the expansion of existing activities. Usually, businesses engage in the process of inner growth based on their own resources. Sources of financing needed in this process include: auto financing, debt or finding new methods of capital [8]. Intensive growth diversification and modernization strategies being used in the management for internal growth

Strategy of progress through market penetration:

Strategy of entering in-depth with existing products to the present market

Strategy of growth through Market development:

Place of business strategies that effort to increase sales of existing products by offering into new markets

Strategy of Progress through product development:

Strategy that Develop new product for existing markets of business

Diversification Strategy:

The strategy of entering new markets with new products.

Diversification strategy is a progress strategy implemented in enterprises wishing to get a return above the average by entering new business areas and taking advantage of opportunities there.

Modernization Strategy:

Modernization is a strategy that aimed to development of technology for Increase production, improve quality, reduce production costs this strategy carried out in the form of replacing product of old technology that was out dated, antiquated machinery and equipment with new technologies to keep pace with the times.

Inorganic Growth

Business, perform growth and development only with their own efforts and resources, also can provide this using the resources of other businesses operating inside or outside of country. Growth and development is expressed in both at home and outside the country, to take advantage of resources and capabilities inside or outside of country for business with the concept of external growth. In this section is given only strategic alliances from varieties of inorganic growth.

Strategic Alliances

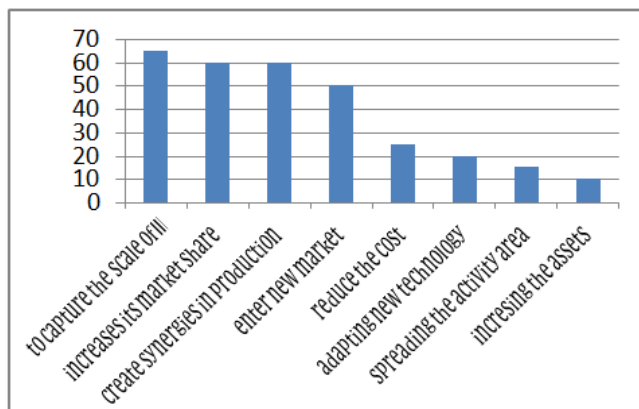
Strategic alliance between Businesses described as to bring together common purposes of physical and human sources of two or more businesses. According to the other definition, strategic alliance can defined as “cooperate based on agreement to achieve their

important certain objectives, using together only certain assets and the capabilities, without setting up a business under a new name and identity”.

Growth through Mergers and takeover with Other Businesses Company Association, referred to the emergence of a new structure in the form of legal structure, losing the legal nature of business more than one. Business in the procurement process adds Assets of a business’s in its structure. In this case, business that bought and sold lost the legal nature. In business combinations and procurement, the merger of enterprises in the range of production and sales is vertical merger, while merger of enterprises working in the same activity field is horizontal merger. In addition, enterprises in different spheres of activity can be merging in order to strengthen the weak areas of each other.

5. Results

Sellers at the point of direct contact with clients, appears as one of the sectors most in need to motion and innovative because of the having opportunity to closely follow the clients tastes and consumption trends. Because of these properties in the sector that have much more intensity of competition, being more number of operating enterprises, often having changes in the purchasing behavior consumers, has carried businesses in a competitive arena more slippery than ever before. Competitive pressure of the driving forces of growth for businesses that internal resources are not sufficient makes the external growth in the long term, less costly and profitable strategic alternative. Mergers summarized in the form of to continue competitive races together by combining in a common pool all the assets and capabilities of enterprises that they have, often resulting in long-term success. Probability of failure caused by reasons such as the the legal dispute between the countries taking place less than other, in mergers between originating companies in the same country, likely tissue mismatch of human resources which have more probability to live Cross-border mergers, and this situation increases the probability of succeeding in shortening the duration of the orientation.



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