



# **GLOBAL BUSINESS IN PRACTICE**

*Self-Paced GeorgetownX Course through February 17, 2017*

## **COURSE SYLLABUS**

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## *Global Business in Practice*

Get an overall view of the increasingly complex challenges of global business from the insights, perspectives and experience of Georgetown University faculty and senior executives currently working in multinational companies. This GeorgetownX course is offered in collaboration with the McDonough School of Business at Georgetown University.

**NOTE:** The course will be available through February 17, 2017. No certificates will be issued for work completed after February 17, 2017.

### **LEAD FACULTY**

#### **Ricardo Ernst**

Ricardo Ernst is Professor of Operations and Global Logistics at Georgetown University's McDonough School of Business and Managing Director of its Global Business Initiative and Latin American Board. He co-directs the Global Logistics Research Program, and one of the courses he teaches is "Global Business in Practice," a capstone course for second-year MBA students at Georgetown University who are preparing for consulting experience abroad. He has received several awards for his teaching, including the Outstanding Teacher Award for his teaching in the International Executive MBA program and the Joseph F. Le Moine Award for Graduate and Undergraduate Teaching Excellence, and he was honored with one of *Business Week Magazine's* "Best Professors" awards.

Ernst received his Ph.D. in Operations Management from the Wharton School at the University of Pennsylvania. He is the co-author of *Global Operations and Logistics* (John Wiley & Sons), which includes an innovative framework and series of cases from across the world. He is also a co-editor and co-author of *Innovation in Emerging Markets* (Palgrave Macmillan) in which the editorial team and contributors examine innovation as national policy, facilitating institutional-level—such as universities, research labs, accelerators and incubators, and business associations—and firm-level innovation. They introduce state-of-the-art thinking on innovation by calling upon the experiences of experts in relevant fields, who provide a deeper understanding of the core issues for any person involved in the private sector, academia, or public policy who is intrigued by the challenge and opportunity of innovating in this dynamic global world. The book's key point is that emerging markets are where tremendous growth and opportunity reside for the present and future. Ernst has published in over 25 journals, including *Management Science*, *Operations Research*, and the *Journal of Operations Management*.

### **GUEST FACULTY**

#### **Marc Busch**

Marc L. Busch (Ph.D., Columbia University) is the Karl F. Landegger Professor of International Business Diplomacy at the Edmund A. Walsh School of Foreign Service, Professor of Government and Professor of Business Administration at Georgetown University. He is an expert on international trade policy and law. He serves as a member of the Industry Trade Advisory Committee on Standards and Technical Trade Barriers (ITAC-16), a public-private group reporting to the U.S. Department of Commerce and the United States Trade Representative.

He has testified before the US Congress on the Airbus-Boeing litigation, and before the Canadian Senate on softwood lumber litigation. He has consulted for Booz Allen Hamilton, Bell Canada, Philip Morris International, the Swedish International Development Cooperation Agency, the United Nations, the World Bank, and the Trade Law Division of the Department of International Trade Canada. He is also the author of the book *Trade Warriors*, as well as articles in the *American Journal of Political Science*, *American Journal of Sociology*, and *British Journal of Political Science*, among others.

He has previously taught at Queen's University and Harvard, where he also received teaching awards. In 1997, he was nominated for the Joseph Levenson Teaching Award at Harvard for best junior faculty undergraduate professor. In 2004, he received the Frank Knox Teaching Excellence Award for the best undergraduate professor at Queen's University. In 2010, *Forbes Magazine* named his course, "Business, Government and the Global Economy," one of the Top 10 Most Innovative MBA courses in the United States.

## *GUEST EXPERTS*

### **Joseph P. Baratta**

Joseph Baratta is Global Head of Private Equity and a member of the firm's Management Committee. Since joining Blackstone in 1998, Mr. Baratta has been involved in the execution of Blackstone's investments in Universal Orlando, Nycomed Pharmaceuticals, Houghton Mifflin, Spirit Group and was responsible for Blackstone's investments in First Eagle Investment Management, Seaworld Parks and Entertainment, Merlin Entertainments Group, Center Parcs, Tragus Group, Southern Cross and ICS Group. In 2001, Mr. Baratta moved to London to help establish Blackstone's corporate private equity business in Europe. Before joining Blackstone, Mr. Baratta was with Tinicum Incorporated and McCown De Leeuw & Company. Mr. Baratta also worked at Morgan Stanley in its mergers and acquisitions department. Mr. Baratta graduated magna cum laude from Georgetown University where he currently serves on the University's Board of Directors. He serves as a director of Blackstone portfolio companies First Eagle Investment Management and Penn Engineering. He is also a trustee of the Tate Foundation in Britain and serves on the board of Year Up, an organization focused on youth employment.

### **Maximo J. Blandon**

Maximo Blandon is a managing director of Stephens and co-head of the International Group, where he specializes in cross border capital flows between Asian entities and clients in the Americas. Prior to this Mr. Blandon was a managing director at Morgan Stanley. During the last two years in that position Mr. Blandon worked as a managing director of MSCI, then a subsidiary of Morgan Stanley responsible for financial planning and analysis, strategic planning, external funding, and rating agency relations. Mr. Blandon received his MBA from Georgetown University and graduated from the United States Naval Academy.

### **Mark G. Del Rosso**

Mark G. Del Rosso serves as Executive Vice President, Chief Operating Officer of Audi of America, where he is responsible for all retail operations and dealer network development in the United States, including leadership of the four Audi regional offices in New Jersey, Los Angeles,

Chicago and Atlanta. Prior to that Mr. Del Rosso worked for 17 years at Toyota and Lexus, in both corporate and field senior leadership positions across the United States. Mr. Del Rosso holds a bachelor's degree in Business Administration from the University of Southern California.

**Thomas J. DeRosa**

Thomas J. DeRosa is CEO and Director of Welltower. Previously, he served as the Vice Chairman of The Rouse Company. Mr. DeRosa held various positions at Deutsche Bank AG in the US and UK, including Global Co-Head of the Health Care Investment Banking Group, and at Alex. Mr. DeRosa received a Bachelor of Science degree in Business Administration from Georgetown University, where he currently serves as a Trustee and as a member of the school's Board of Directors and its Audit Committee, and also received a Master of Business Administration degree from Columbia University.

**Fabrizio Freda**

Fabrizio Freda is President and Chief Executive Officer of The Estée Lauder Companies, a position he assumed on July 1, 2009. Prior to this Mr. Freda worked at P&G as President for Global Snacks. He also spent more than a decade in positions of increasing responsibility in the Health and Beauty Care division at P&G. From 1986 to 1988, Mr. Freda directed marketing and strategic planning for Gucci SpA. In 2012, Mr. Freda was appointed to the Board of Directors of BlackRock, Inc., and in 2015, he was awarded Italy's prestigious Cavaliere del Lavoro by President Sergio Mattarella. Mr. Freda attended the University of Naples, where he received an Economics and Business Administration degree.

**Franck J. Moison**

Franck J. Moison serves as Vice Chairman at Colgate-Palmolive Co., where he continues to lead business development and the Company's operations in Asia Pacific and Latin America. Mr. Moison has served at Colgate-Palmolive in various positions including: President for Europe and South Pacific, President of Global Marketing, Supply Chain & Technology, and Chief Operating Officer. He also currently serves as Director for Hanesbrands and has previously worked for H. J. Heinz Company, as Director as well. Mr. Moison earned his MBA from the Ross School of Business at the University of Michigan and holds an undergraduate degree from the Ecole Des Hautes Etudes Commerciales du Nord.

**Hilda Ochoa-Brillembourg**

Ms. Ochoa-Brillembourg, CFA, is Founder and Chairman of Strategic Investment Group. From 1976 to 1987, Ms. Ochoa-Brillembourg was Chief Investment Officer of the Pension Investment Division of the World Bank and continued as manager of the World Bank Pension assets until 1996. She also served as asset and liability advisor to the World Bank, the Venezuelan government, Grupo Electricidad de Caracas, and others. A native of Venezuela, Ms. Ochoa has served as an independent consultant in the field of economics and finance, a lecturer at the Universidad Catolica Andres Bello and IESA in Venezuela, and as treasurer of the C.A. Luz Electrica de Venezuela in Caracas. She is the founding Chairman of the Youth Orchestra of the Americas and serves on the advisory committee of Harvard David Rockefeller Center for Latin American Studies. A lifetime member of the Council on Foreign Relations, she is co-chair, Deans Alumni Leadership Council at Harvard Kennedy School. She is a long-time member of the World Economic Forum. Hilda has published articles in the Financial Analyst Journal, Pensions & Investments, The Atlantic and International Economy.

Ms. Ochoa-Brillembourg received the 2012 aiCIO Lifetime Achievement Award. A Fulbright Fellow and Fulbright Lifetime Achievement Awardee, she completed doctoral studies (except dissertation) in Business Administration in Finance at Harvard Business School. She received a Master of Public Administration from Kennedy School of Government at Harvard and Bachelor of Science in Economics, Universidad Andres Bello, Caracas.

### **Roxana Pierce**

Roxana Pierce is an international lawyer, currently serving as Of Counsel at Robbins Geller Rudman & Dowd LLP. She has represented clients in over 72 countries, with extensive experience in the Middle East, Asia, Russia, the former Soviet Union, the Caribbean and India. She has been awarded a Certification of Accomplishment by the Export-Import Bank of the United States for her accomplishments in international finance. Ms. Pierce obtained her Juris Doctorate from Thomas Jefferson School of Law in San Diego.

### **Monica Vidal**

Monica Vidal is partner at MVS Global Consulting. Prior to this she was the managing director of Arcano group in NYC. She also worked at JP Morgan where she was head of Alternative Investments for Latin America. She is an active investor in start ups and a founding member of NextGenVest. She received a Bachelor degree in Economics and Business Administration from CUNEF in Madrid in 1991. She recently completed an Executive Program in Social Entrepreneurship at Stanford Business School.

### **Stephanie von Friedeburg**

Stephanie von Friedeburg was appointed World Bank Group Chief Information Officer and Vice President for Information and Technology Solutions in 2012. She previously served at the World Bank as CIO for the International Finance Corporation (IFC), and Senior Manager for IFC Global Information and Communication Technologies. She holds an MBA from the Wharton School, a Master of Arts from the Lauder Institute at the University of Pennsylvania, and an undergraduate degree from the School of Foreign Service at Georgetown University.

## ***FACULTY SUPPORT TEAM***

You can contact the faculty support team directly at [msbglobalbusiness@georgetown.edu](mailto:msbglobalbusiness@georgetown.edu).

## ***WHAT IS THE COURSE ABOUT?***

Global Business in Practice helps you understand the impact globalization has on global trade and how companies need to react. Business schools are very good at compiling theories; we add value by combining those theories with the practical realities faced by top executives and exploring the management of global business from their perspectives. Leading industry experts will be featured throughout the course, including:

- **Joseph P. Baratta**, Global Head of Private Equity at Blackstone;
- **Maximo J. Blandon**, Managing Director at Stephens Inc.;
- **Mark G. Del Rosso**, Executive Vice President & COO of Audi of America;
- **Thomas J. DeRosa**, CEO and Director of Welltower;
- **Fabrizio Freda**, President & CEO of The Estée Lauder Companies;

- **Franck J. Moison**, Vice Chairman at Colgate-Palmolive;
- **Hilda Ochoa-Brillembourg**, Founder and Chairman of Strategic Investment Group;
- **Roxana Pierce**, Of Counsel at Robbins Geller Rudman & Dowd LLP;
- **Monica Vidal**, Partner at MVS Global Consulting Services;
- **Stephanie von Friedeburg**, CIO and VP for Information and Technology Solutions at the World Bank Group.

You will understand the horizontal nature of practical problem solving rather than the vertical work and learning that traditionally happens in functional silos.

Our goal is that, through this course, you will come to explicitly understand that globalization affects every country regardless of its economic, political or social situation. In this context, as countries endeavor to adapt their policies to new demands, companies deploy strategies to attain an increasingly globally integrated production system. The globalized world forces us to seek and develop appropriate ways to undergo this process. Today, discussions about the advantages and disadvantages of globalization are insignificant and unimportant in the face of the great need to determine the essential conditions for countries, companies and individuals to really benefit from it.

A fundamental knowledge of core business disciplines is clearly a “must” for aspiring global leaders, but the complexity of the global world requires us to push the envelope and extend the limits of what is possible. Join us as we explore the future of global business leadership.

### *WHAT DOES THE COURSE INCLUDE?*

Each section of the course listed in the Course Content Outline (in the next sub-section) begins with a **Section Guide (.1)** sub-section and ends with a **Conclusion & Looking Ahead (.4)** sub-section. In between these sub-sections, you'll find both the **instructional sequence (.2)** related to the section's topic, as well as a your ongoing **project (.3)** to apply what you are learning each week. An optional section called **Listen** at the end of each week reminds you to check out the Global Business in Practice Radio website for the latest commentary from Professor Ernst on current events that impact global business.

### Course Section Outline

#### **1. Competing in a Flat World: Why Does Globalization Matter?**

In this first section, we'll look at globalization, its elements, and how it relates to trade. We'll uncover the fact that we are part of a global world in a much deeper way than we realize, and that poses challenges to the way companies compete.

#### **2. Globalization Justified**

In this second session, we're going to take a look at globalization in more depth. After last week's introduction, this week we we'll learn about the different trends that affect globalization and how there is an increase tendency for firms to think, plan, operate and invest for the future with reference to markets and opportunities across the world as a whole.

### **3. Is It Global or Local? Glocal!**

In this third session, we're going to take a look at the concept "glocal." The introduction of "Glocalization" has encouraged companies to "think global, act local", and they are doing so by using their global brands and experiences, and then tailoring their services and products in such a way that would appeal to local markets. Glocalization, then, seems to be the art of attaining a fine balance of assimilating foreign influences into a society that add to its diversity without overwhelming it.

### **4. The World Is Not That Flat**

In this third session, we're going to take a look at how the world is becoming a level playing field in term of commerce, where all competitors have an equal opportunity. The "flattening" of the world is a perceptual shift that requires countries, companies and individuals to remain competitive in a global market where historical and geographical divisions are becoming increasingly irrelevant.

### **5. Sustainability: More Than Just Making Money**

In this fifth session, we're going to take a look at shared value as a management strategy in which companies find business opportunities in social problems. Michael Porter and Mark Kramer suggest companies could bring business and society back together if they redefined their purpose as creating "shared value", generating economic value in a way that also produces value for society by addressing its challenges. A shared value approach reconnects company success with social progress.

### **6. Connecting It All through Supply Chain Management**

In this sixth session, we're going to take a look at how competition among companies has shift from competing on product and services to competing on supply chains. Historically, the competitive advantage of company's supply chain were underrated. Companies competed on products and services, not processes. But those days are over. Growth-oriented leaders have understood that supply chain strategy is really business strategy, and vice versa.

### **7. Additional Resource: Industry Experts on Big Questions**

In this section, we have curated a diverse, fascinated collection of interviews with experts in global industries on topics that are relevant to everything you are learning in this course.

## ***WHAT WILL I LEARN IN THE COURSE?***

The course is designed to support you in achieving the following **learning goals**.

By the end of the course, you should be able to:

- Understand the practical complexities of what globalization is and how it affects the business environment regardless of its economic, political or social situation.
- Articulate how global challenges are becoming increasingly complex by gaining insights from executives at different multinational corporations.
- Conceptualize the differences in global business orientations and apply them in specific situations (i.e., multinational, global, glocal) using academic frameworks.
- Explain how regulations and geopolitical forces shape global business environments and create both tensions and opportunities in the context of global business.



- Articulate how the global environment is changing and forcing companies to develop sustainability practices based on creating economic value by creating societal value.
- Appreciate how global supply chains are the response to the increasing integration of international markets as firms try to remain competitive.

## WHAT SHOULD WE EXPECT FROM EACH OTHER?

### What You Can Expect from Professor Ernst and the Course Team

Teaching Assistants will regularly participate in discussion boards to provide content clarification, guidance, and support.

We will also be maintaining a website with current events podcasts and videos, along with polls. Please check the Updates section of the course for the URL to that site.

You can also email us with important content-related questions at [gux@georgetown.edu](mailto:gux@georgetown.edu).

### What You Can Expect from edX

In the event of a technical problem, you should click the “Help” tab located on the left border of the screen (Figure 1). This “Help” tab opens an instruction box that directs you to student Frequently Asked Questions (FAQs) for general edX questions. You can also:

- Report a problem
- Make a suggestion
- Ask a question

You may post technical problems to the “Technical” thread of the discussion board. Finally, you may also contact [technical@edx.org](mailto:technical@edx.org) directly to report bugs.

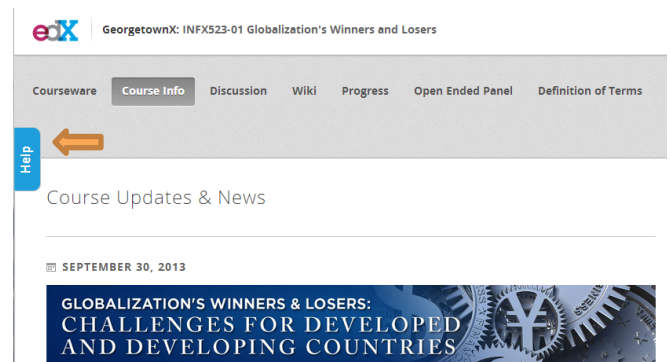


Figure 1: Screenshot with Help tab

### What We Expect from You

Students should spend around two to three (2-3) hours per section to review assigned readings, watch lectures, work through knowledge checks and other activities, including the discussion threads, and polling questions.

In each course section we have included activities to support you in reaching the specified learning objectives for that section. These are the activities that are counted toward achieving the certificate for the course. The graded activities are categorized as **knowledge checks** and count for 85% of your final grade. They include:

- Multiple choice questions;
- Matching questions; and

- True/False questions

Your **Client Project presentation**, peer-reviewed by 2 classmates, will be worth 15% of your grade for this online course.

**To receive a course certificate, you must complete/submit all graded assignments by February 17, 2017 (by 23:59 UTC) and receive a score of 75 percent or higher.**

To supplement the graded knowledge check activities listed above, we have also included other (ungraded) components to enable you to explore the subject matter more deeply. These include:

- Test Your Knowledge questions;
- Discussion questions
- Polling questions; and
- Decisions questions in the Client Project

All activities included in the course are designed to help you gauge your learning as a result of your interaction with the course content, specifically the video lectures and the introductory material for each section. Instructions on how to complete the activities are included within each course section.

## Timeline

As part of this self-paced course, you are invited to complete the course on your own timeline and at your own pace. Our only due date is February 17, 2017, which marks the last day this course is available as a live course. We do, however, ask that you submit your peer-reviewed final presentation by February 3, 2017, to allow sufficient time for peer review. Until then, you may submit assignments and participate in knowledge checks at your own pace.

## Netiquette Guidelines

### Please be respectful

To promote the best educational experience possible, we ask each student to respect the opinions and thoughts of other students and be courteous in the way that you choose to express yourself. Informed debate should never give way to insult, rudeness, or anything that might detract from the learning process. GBEX-650-01x students should be respectful and considerate of all opinions.

In order for us to have meaningful discussions, we must learn to understand what others are saying and be open-minded about others' opinions. If you want to persuade someone to see things differently, it is much more effective to do so in a **polite, non-threatening way** rather than to do so antagonistically. Everyone has insights to offer based on his/her experiences, and we can all learn from each other. Civility is essential: Our teaching assistants can, and will, remove students from the class who detract from the learning process with insulting comments on the course-wise discussion boards.

### Look before you write

Prior to posting a question or comment on the discussion board, the Georgetown course team asks that you look to see if any of your classmates have the same question. Upvote questions

that are similar to your own or that are also of interest to you, instead of starting a new thread. This will greatly help our Georgetown TAs best monitor the discussions and bring important questions to Professor Ernst's attention.

### **Use the discussion board for course-related posts only**

Although we encourage students to get to know each other, please use the discussion board for course content conversations only.

### **Properly and promptly notify us of technical issues**

Although we do not predict technical issues, they can and may happen. To make sure these receive prompt attention, post details about any technical issues directly on the "Technical" discussion thread or email [technical@edx.org](mailto:technical@edx.org) directly. You may reach us with course-related content questions at [gux@georgetown.edu](mailto:gux@georgetown.edu).

## **Academic Integrity**

### **Observe edX and GeorgetownX's honor policies**

Although collaboration and conversation will certainly contribute to your learning in the course, we ask students to refrain from collaborating with or consulting one another on any graded material for the course. Violations of the honor policy undermine the purpose of education and the academic integrity of the course. We expect that all work submitted will be a reflection of one's own original work and thoughts.

GeorgetownX faculty and staff expect all members of the community to strive for excellence in scholarship and character.

## **APPENDIX A: DETAILED COURSE OUTLINE**

### **1. Competing in a Flat World: Why Does Globalization Matter?**

In this first section, we'll look at globalization, its elements, and how it relates to trade. We'll uncover the fact that we are part of a global world in a much deeper way than we realize, and that poses challenges to the way companies compete.

#### **Key Questions**

- What is your understanding of globalization? Is it a priority for companies, and why?
- Do you think the global business environment is changing? Why?
- What is a truly global company?
- Does company culture affect globalization efforts? Is working for an American global company different than working for a French, Chinese, or Korean global company?
- How do you take advantage of globalization?

#### **Learning Objectives**

- Understand the scope of globalization, its drivers, and dimensions for defining it, all within the context of the global business environment
- Explain why globalization is irreversible

- Recognize the borderless impact of supply chains and explain the phrase "competing with everyone from everywhere for everything"
- Explain why, in a flat world, supply chains, not companies, are competing against each other
- Understand how trade is able to increase at a faster rate than GDP and how it relates to global supply chains

## 2. Globalization Justified

In this second section, we're going to take a look at globalization in more depth. We'll learn about the different trends that affect globalization and how there is an increased tendency for firms to think, plan, operate and invest for the future with reference to markets and opportunities across the world as a whole.

### Key Questions

- Are most products customized or standardized? Why?
- What are the trade-offs between customization and standardization?
- Is globalization making all products similar around the world? Should everybody like the same products?
- What is the difference between a global company and a multinational company? Is one better than the other?
- What happens with local companies when global and multinationals arrive?

### Learning Objectives

- Understand the trade-offs between customization and standardization
- Appreciate where the concept of "Globalization of Markets" was first introduced and justified
- Use a framework to conceptualize the difference between global and multinational companies
- Evaluate how Globalization may affect not only different industries but also different regions and nations
- Appreciate how these ideas and concepts have evolved over time

## 3. Is It Global or Local? Glocal!

In this third section, we're going to take a look at the concept "glocal." The introduction of "glocalization" has encouraged companies to "think global, act local," and they are doing so by using their global brands and experiences, and then tailoring their services and products in such a way that would appeal to local markets. Glocalization, then, seems to be the art of attaining a fine balance of assimilating foreign influences into a society that add to its diversity without overwhelming it.

### Key Questions

- What conditions give local companies an advantage over global companies?
- What are the main advantages of being a glocal company?

- Under what conditions might glocal not work?
- How are the brands affected by globalization?
- Should governments play a role protecting local companies from traditional multinational corporations?

#### Learning Objectives

- Once you have successfully completed this section, you will be able to:
- Understand the trade-offs between customization and standardization
- Understand the new forces driving the global environment, making the domination of multinational companies from the developed world obsolete and grasp why the developing world is playing an important role
- Explain why business today is all about “competing with everyone from everywhere for everything”
- Define the meaning of glocal as the response to the need for a high level of pressure for global integration AND a high level of pressure for local integration
- Illustrate the different concepts with examples from different industries

### **4. The World Is Not That Flat**

In this fourth section, we're going to take a look at how the world is becoming a level playing field in terms of commerce, where all competitors have an equal opportunity. The "flattening" of the world is a perceptual shift that requires countries, companies and individuals to remain competitive in a global market where historical and geographical divisions are becoming increasingly irrelevant.

#### Key Questions

- What is the meaning of “the world is flat” from a business perspective?
- Is Global Trade always beneficial for the economy of countries? When might that not be the case?
- Should there be an organization controlling the rules of Global Trade? Why?
- What are the drivers that motivate governments to control the level of trade for different industries?
- What are the mechanisms available to limit global trade? Do they vary by industry and region?

#### Learning Objectives

- Identify the general elements that may conflict with the evolution into an open global trade
- Differentiate among managerial options to facilitate global trade
- Understand the prevailing differences across countries and industries to control global trade
- Understand how regulation organizations and agreements control global trade
- Appreciate that globalization and global trade are irreversible

### **5. Sustainability: More Than Just Making Money**

In this fifth section, we're going to take a look at shared value as a management strategy in which companies find business opportunities in social problems. Michael Porter and Mark Kramer suggest companies could bring business and society back together if they redefined their purpose as creating "shared value", generating economic value in a way that also produces value for society by addressing its challenges. A shared value approach reconnects company success with social progress.

#### Key Questions

- What is the main objective of any company?
- What is the right "planning horizon" for a firm? (Short-term and long-term might have different impact.)
- What defines a business' sustainability?
- Are companies responsible for the behavior of their suppliers and distributors? (for example, ethical and moral behavior with their employees or the environment)

#### Learning Objectives

- Explain why sustainability is an important principle in business practices
- Understand why more companies are managing sustainability to improve processes, pursue growth, and add value to their companies rather than focusing on reputation alone
- Embrace the concept of "Shared Value" which focuses on the connection between societal and economic progress
- Describe the three distinct ways companies can create shared value
- Explain how the principles in this section affect the confectionery industry, our example for this section

## 6. Connecting It All through Supply Chain Management

In this sixth section, we're going to take a look at how competition among companies has shifted from competing on product and services to competing on supply chains. Historically, the competitive advantage of a company's supply chain was underrated. Companies competed on products and services, not processes. But those days are over. Growth-oriented leaders have understood that supply chain strategy is really business strategy, and vice versa.

#### Key Questions

- What makes some companies more successful than others in the satisfaction of demand?
- How do companies respond to the potential mismatch between demand variability and supply variability?
- How do companies manage the relationship with all the "players" involved in making, selling and delivering products?
- Is globalization making the connection between Supply and Demand easier or more complicated? Why?
- What are the drivers that allow the world to become a "market place" for buying and selling?

#### Learning Objectives

- Understand the need to coordinate demand and supply variability to make companies more responsive and therefore increase profitability

- Understand the role of globalization in in the definition of global supply chains, i.e., global supply chains are the response to the increasing integration of international markets as firms try to remain competitive
- Realize why global supply chains cannot be owned by only one entity and why there is a need to develop successful collaborative relationships
- Embrace the shift in business paradigm from “my company” against “your company” to “my supply chain” against “your supply chain”
- List the distinct qualities of top-performing supply chains.
- Explain how the principles in this section affect the confectionery industry, our example for this section