

r
by T S

Submission date: 12-Dec-2020 05:07AM (UTC-0500)

Submission ID: 1473048482

File name: BUS401_SLP2_2019_2.edited.docx (30.42K)

Word count: 1062

Character count: 5984

Trident University International

Name

Module 2 SLP

BUS401: International Business

Professor

Date

International Strategies

Multinational Corporation (MNC) is a corporation or company with facilities, offices, or industries in more than one country other than its home country. This MNC uses various strategies in gaining and improving its net worth. Therefore, it decides to enhance its network by using either multi-domestic, transnational or ² global strategy.

Multi-Domestic Strategy

Multi-domestic is a strategy maximizing the responsiveness locally in each country a corporation is based. MNC such as Nestle uses the multi-domestic approach and has their decision-making decentralized. Every branch belonging to Nestle has the liberty to make its own decision. The decisions depend on the local market trends and shape, maximizing the locality's responsiveness to the product or service provided.

The advantage of Nestle using a multi-domestic strategy is that it understands the customer's needs in the host country. From understanding the customer's needs, Nestle can address the needs of the customers, strengthening the connection and bond, which in turn improves their network (Forsgren, 2018). Most MNC operating using the multi-domestic have to learn and respect the culture found in a new locality because this adaptation helps make the customer feel unique and treasured (Chapter 3). The effort and steps Nestle using the multi-domestic strategy take to become part of the culture locally play a massive role in making the customers feel more valued and thus increase trust between the company and customers.

Despite the multi-domestic strategy giving a seemingly smooth sail in the job market, it also has some shortcomings. By Nestle using a multi-domestic strategy spends a lot of time in research of the targeted market. In addition to taking up a lot of time, it also requires considerable funds to implement the various findings.

Global Strategy

Contrarily, global strategy is different from a multi-domestic strategy in terms of control and decision making. In global strategy, the home office tries to focus on global efficiency by centralizing and controlling the operations and decisions made in the MNC. Products like those of Apple Company are not tailored to suit local markets by concentrating on implying that any product can be sold or rendered in the same capacity in every country. Notably, the strategy suggests that each business unit in every country is interdependent and integration across the various businesses is the main focus.

The global strategy used by Apple Company increases the revenue gained by the corporation. This is achieved through the increase in the customer base becoming larger. Notably, it has taken the global industries to a new level of success (Cuervo-Cazurra et al., 2019). Through the solutions that the global strategy offers to Apple Company, they can help more people. Helping people comes in by improving their lives in one way or another. The challenges customers face and the questions troubling them are found from the solutions the global companies provide, thus bettering the lives of their customers. Besides, when Apple Company uses the global strategy, they have greater access to talent and learning a new culture. In turn, through the new skills found in new employees, Apple Company gains a competitive edge against the other companies. The new culture helps Apple Company use the global strategy and have a well-rounded structure (Chapter 3).

Global strategy is also faced with some disadvantages. Apple Company using this strategy finds it challenging to manage the corporation due to the need to coordinate the strategies used and the decision used in operations made across all borders. Since it is across various countries, the efficiency of Apple Company utilizing this strategy decreases at a high rate.

Transnational Strategy

Last but not least, MNC using the transnational strategy aims to achieve efficiency globally and responsiveness in the local market. This strategy seeks to combine the best of both multi-domestic and global strategies. Normally, the strategy is highly desirable to many industries and companies offering a product or service. Apple Company using this strategy turns out to be one of the most influential and control the productivity of some countries (Kordos & Vojtovic, 2016). Again, the strategy has facilitated some countries to develop at a high rate since it is actively involved in solving a country's problems.

MNCs like Kentucky Fried Chicken (KFC) use transnational strategy and have an advantage such that they can create jobs for several people. This has helped in making the people who were jobless be more stable and thus improve their lives. Through KFC using the transnational strategy, people from the countries that the corporation have invested in work on improving their education and skills from learning from their colleagues (Organizational behavior v. 1.1.). Since KFC using the transnational strategy to invest in new countries, this has enhanced their development in terms of amenities and structures. Notably, MNCs using the transnational strategy can exploit and utilize the available natural resources and maximize the returns gained (Chapter 14). From KFC using transnational strategy being able to invest in different countries, most countries benefit economically from the company by bringing new and improved quality products and services.

MNCs using the transnational strategy also have shortcomings that affect the company and the workers involved. Mostly, KFC using the transnational strategy employ fewer workers than required thus setting poor working environments for the employees. Again, they rarely reinvest in the local area they are in. This has led them to overexploiting both human and the natural resources available.

In summation, having discussed the aforementioned operational strategies used by various corporations, it is clear that each company uses the strategy that suits them best. From the case of Nestle Company, it utilizes a multi-domestic strategy hence understanding their customers' needs. On the other hand, Apple Company increases its revenue by using global strategy. And finally, KFC tends to achieve efficiency globally by always sticking to the transitional strategy.

Chapter 14: Competing effectively through global market, Distribution and Supply-chain management.

Chapter 3: Culture and business. (2012). In *International Business*.

Cuervo-Cazurra, A., Mudambi, R., & Pedersen, T. (2019). Clarifying the relationships between institutions and global strategy. *Global Strategy Journal*, 9(2), 151-175.

Forsgren, M. (2018). The development of international business: A narrative of theory and practice.

Kordos, M., & Vojtovic, S. (2016). Transnational corporations in the global world economic environment. *Procedia-Social and Behavioral Sciences*, 230, 150-158.

Organizational behavior v. 1.1. The role of ethics and national culture: motivation and ethics.

ORIGINALITY REPORT

4%

SIMILARITY INDEX

1%

INTERNET SOURCES

0%

PUBLICATIONS

3%

STUDENT PAPERS

PRIMARY SOURCES

1

Submitted to Trident University International

Student Paper

3%

2

collegeessayscholarships581.blogspot.com

Internet Source

1%

Exclude quotes Off

Exclude bibliography On

Exclude matches Off

GRADEMARK REPORT

FINAL GRADE

/0

GENERAL COMMENTS

Instructor

PAGE 1

PAGE 2

PAGE 3

PAGE 4

PAGE 5

PAGE 6