

IBB 3311 Strategic Global Management

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Why strategic management is so important?

This is because knowledge of good strategic management is essential for long term business success.

Why?

Strategic management helps to have...

- Having clear objectives and plans
- Aligning business activities
- Allocating resources optimally
- Improving business results

Strategy? Global Strategy?

Strategy is the plan with action and activities that manager takes to attain the goals of an organization at the local level.

Global Strategy is the global plan with action and activities that global manager takes to attain the goals of an organization at the global level.

What is Global Management?

Global management is an important field of business leadership which concentrates on the quality of managing and cooperating of diverse people, resources, facilities, and strategies in order to achieve the goals and **objectives** of the business on a global scale.

Measurements whether **objectives** are being achieved

Objective: Profitability

1. Ratio of profit to sales
2. Ration of profit to total assets
- 3. Ratio of profit to project investment**

Example: objective: to achieve a 15 percent of return on project investment in Malaysia.

Measurements whether **objectives** are being achieved

Objective: Marketing

1. Market share
2. Sales volume
3. Rate of new product development (Innovation)
4. Number of outlets (Branches)

Example: Objective: to maintain global market leader position by maintaining a 40 percent market share.

Measurements whether **objectives** are being achieved

Objective: Productivity

1. Ratio of output to labor costs
2. Ratio of output to project investment cost
3. Ratio of output to sales
4. Ratio of output to profit

Example: Objective: to reduce number of accidents in work site and reduce number of accidental sick leave.

Examples of global business

The Hilton and Hyatt Hotels, IKEAs

Samsung, Huawei, Apple, KFC, ZARA

Nike, Coca Cola, Southwest Airlines

Toyota, BMW, Rolex

International Business (old concept) and global business

International business: sells products worldwide (**exporting**) but has facilities mainly in home country.

Global business: sells products worldwide and also operates facilities in many countries (**Interdependent**)

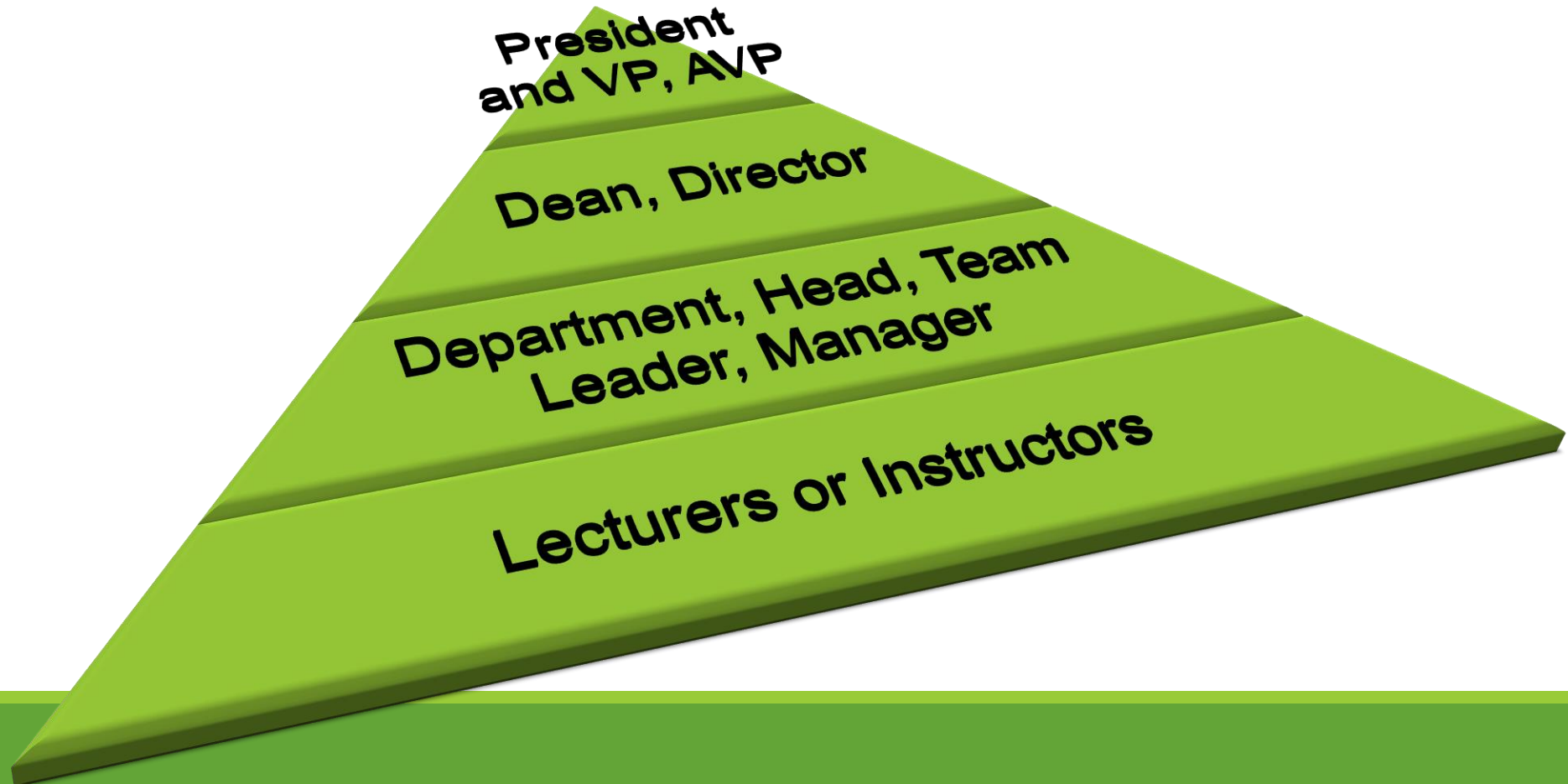
Characteristics of global business

- Famous name, recognizable brand name and logo, unique worldwide image
- Continuous global expansion, widen its customer base
- Sign of innovation, seize new technologies
- Serve local, regional, and global market with different cultural, societal norms, and preferences
- Operate facilities in more than one country with high level of interdependence with many countries

Levels of Management



SSRU Levels of Management



Levels of Management

Top Management: president, VP, AVP

Duties:

Formulate strategies to achieve goals set by the **Board of Directors**

Follow up the policies, rules and regulations

Make important decisions

Represent the firm in signing contract

Board of Directors

Board of Directors is an elected group of individuals that represent shareholders and owners. (Normally, it is about 9 persons together with one chairman of the board and CEO.) Every public company must have a board of directors.

Major duties

- Meeting and discussion the future direction of the organization (vision)
- Deciding or approving the long term goals
- Setting policy for corporate management
- Oversight (**the CEO answers to the board of directors**)

Levels of Management

Middle Management: plant manager, operations manager, division manager, director

Implement the **policies**, **strategies**, and **decisions** made by top management

Develop short term planning and controlling

Levels of Management

First-Line Manager: supervisor, office manager, team leader

To supervise and evaluating daily work, activities, and performances

Areas of Management

WHO ARE THEY?

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Areas of Management

1. Human Resource Managers

Duties:

- Hire and train employees
- Evaluate performance
- Determine compensation, time, and resources

Areas of Management

2. Operation Managers

Duties:

- Responsible for production, inventory, and quality control

Areas of Management

3. Marketing Managers

Duties:

- Development and promotion of goods and services
- Responsible for pricing, promotion, advertising, and distribution

Areas of Management

4. Information Technology managers

Duties:

- Design and implement system to gather, organize, and distribute information
- Information technology, network system, and computer system

Areas of management

5. Financial Managers

Duties:

- To plan and oversee its accounting function, budget, and financial resources

What are basic management skills?

THE ANSWER ARE...

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Six Basic Management Skills

1. Technical skills
2. Human Relations Skills
3. Conceptual Skills
4. Decision-Making Skills
5. Time Management Skills
6. **Global** Management Skills

Basic Management Skills

1. Technical Skills

Skills needed to perform specialized tasks

E.g. computer skill – Microsoft office

Financial skill – Balance Sheet

Tax skill – knowledge of civic laws and business acumen

Basic Management Skills

2. Human Relations Skills

Communication skills, people skills, motivation skills

Self-awareness, adaptability and flexibility

E.g. Be able to resolve conflict between manager and workers

Basic Management Skills

3. Conceptual Skills

Ability to think and analyze the situations, change the crisis into opportunities, lifelong curiosity,

E.g. find new market opportunities

Basic Management Skills

4. Decision-Making Skills

Define the problems

Find the best possible solution

List Advantages and disadvantages of each solution

E.g. Find the way to cut cost of transportation such as the use of NGV

Basic Management Skills

5. Time Management Skills

- Set Priority- What to do first

Since time and resources are limited, focus on using it to achieve your objectives with maximum benefits

- Set Dead weight loss activities-What not to at all

Since time and resources are limited, do not waste on any activities that do not directly lead to your objectives

Basic Management Skills

6. Global Management Skills

Have strong oversea experiences, understand global market, cultural diversity, world political and economy

E.g. be able to understand the needs and wants of foreign customers and foreign market

Assignment # 1 (10 points)

1. What are the four levels of management? In your opinion, who are responsible for formulating strategy and who are responsible for implementing strategy?
2. If you were members of the board of directors, what would be your duties?
3. List and explain three important group of measurements whether the objectives being achieved with your own examples in each item.
4. What are the six basic management skills? In your opinion, which skill is the most important one? Why?

Assignment #1

5. Provide ten examples of global companies in these ten areas. (You must have all together 100 global companies.)

Airlines, Food, Beverages, Automobiles, Furniture, Apparel, Computers, Mobile Phones, Hotels, and Shoes.