

Awareness and Activity of Globalization

2009 Quad City Chamber of Commerce Federation Leadership Essentials

- 1.) **Introduction** – The focus of the Quad City Chamber Leadership Class was the analysis of Richard Longworth’s book ***Caught in the Middle***. Our group focused on the awareness and activity of globalization within the Midwest. We selected three companies of varying sizes and industries to determine what experiences and resources were utilized to pursue globalization and how it relates to the local community.
- 2.) **Business Case** – We interviewed three Midwest based companies covering their experiences, perceptions, constraints, and resources with regards to globalization. We will be summarizing the background information, which industry they represent, and their perceptions of globalization. The purpose of the paper is: to explore the experiences of local companies with relation to why they went global, the constraints they faced, and the perceived effects on the Midwest.
- 3.) **Case Study Introduction** – Below are brief overviews of the businesses and corresponding interviews. Regardless of company size, industry, or globalization path, each company expressed similar experiences and constraints.

Company A

Laboratory equipment manufacturer
6 to 10 employees
Entered global market – mid 1990’s

Company B

Packaging, supply chain, and marketing services
1300 employees in 18 states
Entered global market – late 1970’s

Company C

Manufacturing
520 local employees
Entered global market in 2000

The consensus of the interviews is as follows:

What prompted these companies to take their product or service global?

Meeting the needs of their existing customers was the number one reason they took their product or service global. Additional benefits stemming from globalization

include new products, contact with new clients, expanding market share, and opportunities for future acquisitions or partnerships.

Where did these companies find the opportunities?

Company A utilized dealers and trade organizations to pursue the opportunity for increase market share. Companies B and C followed their existing customer base into the global markets.

What constraints did the businesses face?

All of the companies experienced similar economic, logistical and political constraints that came with globalization. Some of the major constraints faced included differing payment terms, volatility of currency exchange rates, varying time zones, transportation logistics, and changes in political environment.

What is keeping these companies in the Midwest?

These companies affirmed the perception that the Midwest has a well educated population, strong work ethic, pride in workmanship, high quality craftsmanship, centrally located for good transportation logistics, modest wages, and a relatively stable cost of infrastructure.

How has the globalization of these companies affected the local community?

These companies perceive globalization as helping them to attain low operating costs to stay competitive, maintain or increase local workforce, and continuously support the local supply chain.

- 4.) **Consensus** – One of the most compelling parts of the case studies was the lack of awareness of resources available to pursue globalization. Company B's experiences began by following customers to global markets. It wasn't until they were already in the process of globalization that they began to explore resources available to help ease some of the barriers of globalization. Some resources utilized by these companies include trade organizations, State Department, Department of Economic Development, US Department of Commerce, and local chambers of commerce.
- 5.) **Conclusion** – We are global and it is a matter of accepting this concept and learning to benefit from it. The Midwest has to find a way to work within this globalized economy. Due to today's economic conditions, expanding the awareness of the resources available is vital to the survival of the Midwest in this global economy. We challenge anyone to make it through a day without using global products.