

Chapter 4: Computer Use in International Marketplace

- Use of IS for Multinational Corp.
- Multinational structures
- Global business drivers
- International computer usage

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The Multinational Corporation (MNC)

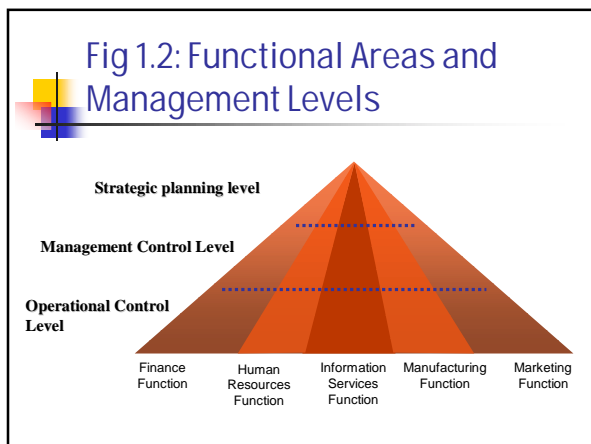
- Operates across
 - Products
 - Markets
 - Nations
 - Cultures
- Examples: GE, IBM, McDonald's, Phillips, Royal Dutch Petroleum, Toyota, Proctor & Gamble, Nokia

Each Subsidiary Has Its Own

- Geography
- Goals
- Policies
- Procedures

Special Information Processing Needs Influenced by

- Administrative heritage
- Internal conditions
 - Firm's assets
 - Distribution of power
 - Corporate culture
 - Management style



Types of MNC Organizational Structure Classifications

- Worldwide functional divisions
 - Organized along functional lines
 - Marketing in subsidiary reports to marketing in parent company
 - Strategic planning done at top executive level

MNC Classifications (continued)

- **International regions**
 - International division separate from domestic division
- **Geographic regions**
 - Each region responsible for its subsidiaries
 - No communication between regions
- **Worldwide product divisions**
 - Product division responsible for operations worldwide

Need for Coordination in an MNC

- **Greater need than domestic companies**
- **Advantages of MNC**
 - Flexibility in responding to competitors
 - Ability to respond in one country to a change in another
 - Ability to keep abreast of market needs around the world

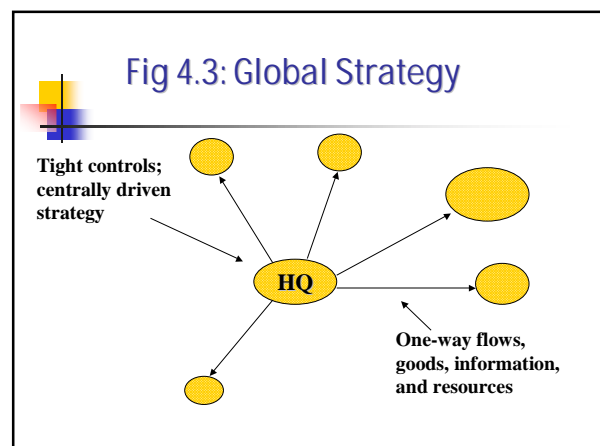
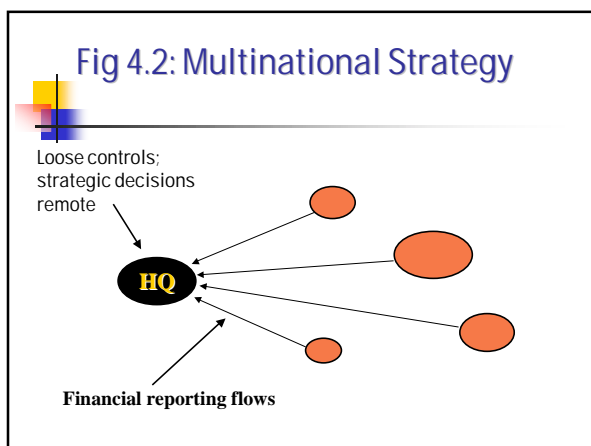
Need for Coordination in an MNC

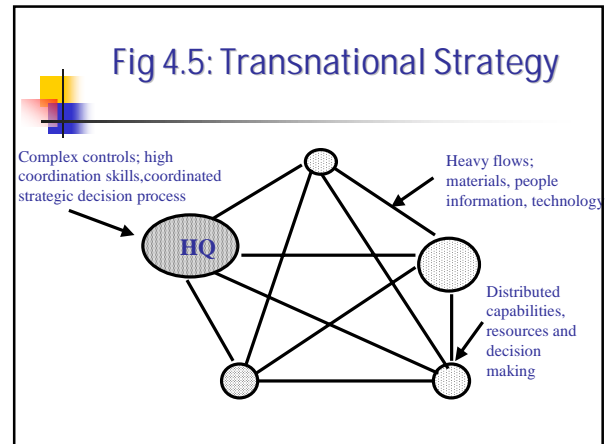
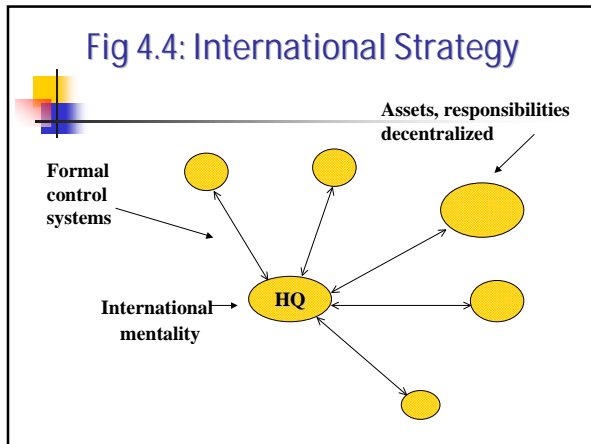
- **Advantages (continued)**
 - Ability to transfer knowledge between units in different countries
 - Reduced overall costs of operation
 - Increased efficiency and effectiveness in meeting customer needs
 - Ability to achieve and maintain diversity in firm's products, their production, and distribution

Global Business Strategies

Use global information systems (GISs)

- **Multinational strategy**
- **Global strategy**
- **International strategy**
- **Transnational strategy**





- Global Business Drivers (GBD)**
- Reasons for the MNC*
- Joint resources
 - Flexible operations
 - Rationalized operations
 - Risk reduction
 - Global products
 - Scarce supplies
 - Corporate customers

Success Factors Differ Among Managers from Three Countries

Japan	Germany	United States
1. Product development	1. Work force skills	1. Customer service
2. Management	2. Problem solving	2. Product quality
3. Product quality	3. Management	3. Technology

- Problems in Implementing Global Information Systems**
- Politically imposed constraints
 - Hardware purchases and imports
 - Data processing
 - Data communications
 - Transborder data flow restrictions (TDF)
 - Operational data
 - Personal data
 - Electronic funds transfer
 - Technical and scientific data

- Problems in Implementing Global Information Systems (continued)**
- Technological problems
 - Lack of support from subsidiary managers
 - Technology acceptance varies
 - Computer education varies
 - Infrastructure varies
 - Language communication problems