

## 16.9: Why It Matters- Globalization and Business

Why does a manager need to understand the current trends and challenges in the global business environment?



Apple is a global organization in every aspect of its operations.

Why do you need to study globalization and business? After all, most people spend their lives working in the country where they were born. If you're not going to travel all over the world for your career, why is this an important topic?

The answer is simple: we live in a world that is growing ever more interconnected. Almost every business, regardless of size or industry, has connections that are global in nature. If you are going to be successful in business, you need to understand how this dynamic will affect you. According to the most recent data (2014), a total of 41 million US jobs—more than 20 percent of all jobs nationwide—are linked to exports and imports of goods and services.<sup>[1]</sup>

For example, you need to think about the differences in culture and how they affect the way business transactions are completed and the nature of professional relationships. Likewise, you need to be aware of both the opportunities and risks associated with global trade.

For example, consider the Apple iPhone. In the company's 2016 fiscal year, it sold more than 211 million devices globally.<sup>[2]</sup> Compare that with the population of the United States: approximately 330 million people. If Apple were to only sell its products in the United States, the company's opportunities would be severely limited. However, Apple is a global company.

In fact, Apple not only sells its products globally, it manufactures them globally as well. One of the topics you will learn about in this module is the trend toward global supply chains. Apple's supply chain is generally considered to be one of the best in the world.<sup>[3]</sup> Keep that in mind as you review this module, and we'll consider their supply chain in more detail at the conclusion of these lessons.

1. Trade & American Jobs: 2016 Update. (2016, January 8). Retrieved September 19, 2017, from <http://businessroundtable.org/resources/trade-and-american-jobs-2016-update>↵
2. "Unit sales of the Apple iPhone worldwide from 2007 to 2016 (in millions)," Statista, 2017, accessed July 30, 2017, <https://www.statista.com/statistics/276306/global-apple-iphone-sales-since-fiscal-year-2007/>↵
3. Lu, C. (2017, April 3). Apple Supply Chain - The Best Supply Chain in the World. Retrieved September 19, 2017, from <https://www.tradegecko.com/blog/apple-had-the-best-supply-chain-in-the-world-for-the-last-four-years-here-is-what-you-can-learn-from-it>↵

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