

4.1: Why It Matters- Global Environment

Why describe the characteristics, opportunities, and challenges of the global business environment?



Grab your book bag, backpack, briefcase or whatever you carry your school supplies in, and open it up. Sort the contents into two piles: items made in the United States and items made anywhere else. Now, how large is the stack of things made in the United States compared to the imported items? Some may be labeled with the store brand and say something like “Manufactured in China for Company X.” Others may simply have a tag that reads “Made in the Philippines.” How many different countries are represented by the contents of your book bag? Do you realize that you just identified a small sample of countries that are United States trading partners?

You should now have two stacks of items (made in the United States and made elsewhere). Now, take everything that is **not** made in the United States and put it aside. From this point forward all you have access to are the things left in the “100 percent made in the U.S.A.” stack. What do you have left? You will be lucky if you have a pencil and an eraser. It is global business and global trade that gives you access to everything else in your backpack.

Understanding the global business environment is critical to everyone who consumes any good, service or resource. Until we understand how the global business environment operates, why businesses and nations trade, and the forces at work in the global marketplace, we are naive consumers. You need to be informed so that you can make decisions about where you will work, who you will work for, who you will vote for, and what foreign policies you will either support or oppose. Without understanding the global business environment, you might find yourself facing daily life with nothing more than a pencil and an eraser.

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