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Business Without Borders in a Global, Internet, Economy: Be Globally Competitive from Your Region

by Michael J. Malloy, Ph.D.

There is a lot of discussion about the US trade deficit, China, and doing business in a global economy that is hostile to US businesses. This article is written to shift the perspective of Small to Medium Size Business (SMB) owners concerning the global economy. Discussions about the global economy intimidate people with assertions that companies must "Go Global" or die. What we hear too often is the need to get on an airplane, take risks, and export. These statements are part of an "old school" discussion about import and export going back to the 1970's. In the 21st Century, modern business thinking is about the Global Supply Chain and how to engage it from your region.

It's Not About "Going Global," It's About Being "Globally Competitive"

For the SMB owner, the old discussion of import/export has been overwhelming. As a regional business with limited revenue and resources, and little to no international experience, how can you start new initiatives to export or import? Those who state to "go global or go out of business" fail to realize that many of the dynamics that have increased global competition also provide SMB owners with the tools to engage this global supply chain, on their terms, as a regional business.

A more realistic, and empowering, perspective is that regional companies need to be "Globally Competitive" in their region. One needs to view one's business, one's industry, as part of a Global Supply chain where buying and selling, outsourcing and in-sourcing are part of your regional strategy for the business. If executed correctly, US SMBs can drive a single regional strategy, with a single effort, to create a single result of increased regional activity that will extend nationally and internationally.

"Think Globally, Act Locally"

The Internet, inexpensive technology, and communications services are radically changing the marketplace faster than anyone can imagine, "flattening the world" as Friedman states. This is good news for US SMBs. These trends play into our strengths. Empowered with this perspective it is important to do three things:

First, gain knowledge and understand — Take the mystery away from the global marketplace. How is the global economy relevant to your business in your region, in your industry? The important shift in your perspective is to understand that it is about becoming globally competitive. SMB owners are overwhelmed with negative news coverage of globalization and the sole focus on exporting by many institutions. Therefore they procrastinate. They will deal with the global economy,

"tomorrow," once they are confronted with an international challenge that finally threatens their status quo. That is too late. But businesses take this reactive, passive, approach because they have been told to "Go Global" requires spending significant money and taking on new initiatives in distant places. If they realized that they can stay local, but be globally competitive, an important shift in perspective occurs.

Business without Borders

Secondly, make decisions — with the right knowledge and understanding you can make the right decisions for your business. It's not about your regional company launching new efforts in foreign lands; it's about reexamining how your current regional efforts can strengthen your regional position, while expanding across the US and abroad. It's about doing the same things you are doing now, with slight modifications, but in combination with the Internet. With the mystery removed and the Internet in play, you now make decisions in the same way you always have to grow your business.

Third, take action — appropriate action to increase your sales, reduce your costs, and grow. It is critically important to use the Internet to communicate and interact with new suppliers and buyers outside of your current regional area. Utilizing international expertise and resources from government agencies and the right kind of private sector service companies is important. With the right support — alongside your business — selling to California or selling to Mexico becomes the same thing as selling to Youngstown, Ohio.

A Single Approach, a Single Effort, a Single Outcome

By accessing the right resources and expertise SMBs can get the information and the support that is effective. By using Internet communications technology in a simple, cost effective manner, an SMB owner of a regional company can develop a single approach — for sales and distribution, for sourcing supply and coordinating their supply chain. An owner can develop a single effort based on an awareness of the global marketplace as it affects their company, their region, and their industry.

Yes, it is that straightforward. No, it is not easy... at first. But successful business is not about easy. It's about simplifying what others claim is complex and confusing: Know your marketplace, be decisive in gaining the advantage of your niche, take practical actions that grow the company. Now US SMB owners are in their comfort zone, in their region, and competitive in the Global Supply Chain. ▼

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— Dr. Michael Malloy