

Drivers of Globalization Case

Name

University / Affiliation / Institution

Drivers of Globalization Case

Major drivers of globalization are the rapid advancements in culture, politics, economics, competition and technology. The global trade agreements have divided the world in to larger chunks of the trading blocks. This shows that the goods can flow virtually from outside competition with the penalties, duties and tariffs. The free trade agreement was also signed between Mexico, Canada and U.S. Large multinational corporations are drawing the benefits from this global trade. This trade trend also has effect on the physical movement of goods throughout the world. The companies try to take advantage of the rules, standards and lower tariffs within new trade zones (Bouchard, 2015). The companies need to take from the multinational logistic companies with some local expertise and presence around the world. Some of the drivers of globalization affect the logistic functions positively, negatively and in a combination of both.

Competition:

The global companies have to deepen their marketing strategies throughout the world in order to remain competitive among the global rivals. Competitive companies introduce, distribute and upgrade new products in a growing way. Leading companies in the world drive the globalization process. A company that does not go a head of competition seeks for researched ideas that are picked by other global ideas. The competition has affected the industrial sectors and countries differently. Some of the industries are globally contested such as government procurement departments are considered to be closed. Most of the consumer goods are accelerating towards the globalization. Competition has affected the logistics department positively as well as negatively.

The companies intend to expand their business globally. They intend to capture customers from other countries. For this purpose they have to transport their goods globally in order to make them easily available for consumers and customers. The company's warehouse functions are affected due to increased competition. The companies tend to store as many products within their warehouses so that they are easily available for consumers and customers. The globalization has affected this aspect in both positive as well as negative way. Large amount of products are to be transported and stored in the warehouses. This leads towards greater investments in manufacturing consumer goods. Similarly, transportation costs are also increased because the goods are needed to be transported from one location to another. This also increases the cost of transportation due to large amount of goods. The competition increases the sales and keeps the consumers within the market. People keep on searching the best available option for them. This is considered to be positive advantage of competition. Therefore, organizations need to keep the competition high.

Rapid Advancements in Technology:

Rapid advancements in technology are considered to be another driving factor of globalization. Technology has revolutionized the global world. Technology has affected the logistic functions positively. The technological advancements have eased the warehousing of goods. The managers can manage the goods easily that are located at different places. The managers can simply manage the goods produced at one place and deliver it to other place. The inventory management has also become an easy task with the technological advancements. The managers can get latest position of their stocks. The availability of latest stock is also easily accessible for the managers. The rapid advancements in technology have also eased the

transportation of goods. The technological advancements in transportation services have also eased the transportation of goods in efficient and effective way.

Political Drivers:

Trade rules and regulations are also considered to be the political driver of globalization. These rules and regulations lead towards the lowered tariffs and ultimately allow the foreign direct investment throughout the world. Ongoing opening of markets and privatization of organizations are some examples of the latest developments that have led towards the organizational growth. The governmental policies and procedures may create hurdle for logistic purposes by imposing certain constraints on import and export of goods and products. Similarly, manufacturing policies and procedures may also create hurdle in this regard. However, some of the governments are quite accommodating in facilitating the companies to invest in their countries. Therefore, we can say that political drivers of globalization can have positive as well as negative impact on the logistics.

Market Drivers:

The domestic markets are becoming more and more saturated while the opportunities for growth of businesses are limited. Global expansion is ultimately the way for most of the organizations to expand their businesses and to overcome the limitations of saturated markets and a few local growth opportunities. The customer needs and opportunity to use global marketing channels have urged the need to expand domestic markets. Markets drivers have negatively reinforced the logistics to be available at local levels. For this purpose, the companies tend to make goods available at all times in domestic markets. This has led towards the wastage of resources because the consumers need the products available in the markets.

Conclusion:

There are different drivers of globalization. Competition affects the logistics in both positive as well as in negative way. Rapid advancements in technology bring positive change in logistics while Market drivers bring negative effects for logistics. Political drivers of globalization bring positive as well as negative effects in logistics.

PapersLead Sample

References:

Bouchard, D., (2015). What is Globalization Doing to the World of Logistics? Retrieved From <
<http://www.inboundlogistics.com/cms/article/what-is-globalization-doing-to-the-world-of-logistics/>>.

PapersLead Sample