

In loving memory of my parents,
Gabriël Johannes Hough and
Maria Magdalena Hough

Johan Hough

To Ansa, for unfailing support,
encouragement and inspiration, and
to my children, Sylna and Wilhelm, for
their understanding and devotion

Ernst Neuland

To my wife, Christine, my sincere
thanks as always

Cornelius Bothma

To my family and friends who
supported my aspirations

Ronel Erwee

To my wife, Larie, and my mother,
Cissie Venter, for their support
and encouragement

Dani Venter

Global Business Environments and Strategies

Managing for Global Competitive Advantage

2nd edition

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Preface

This second edition of *Global Business Environments and Strategies* approaches the subject of international business from both the southern African and global perspectives with the aim of developing and enhancing the knowledge, insights, fundamental understanding, and relevant skills that South African managers need in order to be successful in the widely differing and increasingly turbulent cultural, political, economic, legal, and technological environments worldwide.

As a result of the dramatic changes that have occurred throughout the world during the past two decades in particular, and the continuing trend towards internationalization and a globalized economy, management education and development in international business has become imperative if South African firms are to compete successfully in the international arena. This second edition strives to bring the student and businessperson up to date regarding the most recent theories, trends, and technologies in this exciting field.

The reality is that the rapidly-changing global business environment of today will gain even greater momentum in the face of continuing trends in regional integration and globalization. In such an environment, the products and services of companies have to contend with unlimited competition, and even more so where trade barriers and other protective market measures are phased out.

In anticipation of these developments, the

management teams of multinational enterprises and other firms involved in international business have to be proactive. In general, they will require knowledge and competitive intelligence related to internal as well as external environments, and the management and leadership skills needed to use environmental information to grasp opportunities in the competitive global arena.

Accordingly, this book focuses on the relevant global business environments and appropriate competitive and functional strategies that can influence international management and leadership. In our approach to this work, we acknowledge the existence of the phenomenon of globalization as well as the reality of new factors continually impacting on the global marketplace, with changing and increasing demands being imposed on international management. New markets have opened up, while others are in the process of emerging. New improved technologies, particularly in communications and transportation, are continually evolving, and barriers to trade are declining – factors which have all contributed to a major expansion of international trade and investment.

With these demands in mind, our approach has been from the perspective of relevant management education, training, and development in the context of South Africa and southern Africa, notwithstanding the generally accepted theory and universal methodology of international business on which this book is based.

Case studies

As in the previous edition, South African, southern African, and international cases on global issues (such as economic integration, changing global mindsets, leadership, finance, marketing, human resources, and strategic alliance) add practical value to the theory underlying international business. Furthermore, these case studies provide both students and practitioners with a unique opportunity to benefit from local, international, and practical business experiences.

Framework of the book

The 14 chapters are divided into four parts. In Part I, *The scope and dynamics of global business*, the first chapter deals with an overview of global business. Globalization and international trade is then discussed in more detail in chapter 2. Chapter 3 is a new chapter giving a detailed account of both economic integration and local and global free trade agreements. In Part II *Global business environments*, chapters 4 to 7 are new inputs and discuss the cultural, political, legal, economic, and global monetary environments. Part III deals with *Global business leadership and strategies*, where chapter 8 focuses on international management and leadership issues and the need for developing global mindsets in multinational enterprises. Chapters 9 to 11 provide the global management context within which functional international business strategies such as marketing, human resources, and financial management are conducted. The new chapter 12 deals exclusively with e-business strategies in a global context. Part IV, *Southern Africa and Africa: international cooperation and future perspectives*, addresses global collaboration and strategic alliances in chapter 13, while some future perspectives on southern Africa as an emerging regional market are discussed in chapter 14.

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