This course supports the assessments for EGT1. The course covers 7 competencies and represents 4 competency units.

Introduction

Overview
You will learn the concepts and tools needed to make optimal decisions such as the following: marginal analysis; supply and demand; competition; anti-trust laws and government regulations; international business environment; international trade; global operations; and cultural sensitivity.

Watch the following video for an introduction to this course:

Note: View the video in full screen at 720p for best results.

Competencies
This course provides guidance to help you demonstrate the following 7 competencies:

- Competency 309.1.1: Marginal Analysis
  The graduate correctly applies marginal analysis.
- Competency 309.1.2: Supply and Demand
  The graduate applies the laws of supply and demand to develop a desirable relationship between supply and demand in a given situation.
- Competency 309.1.3: Competition
  The graduate analyzes a firm's competitive environment to determine whether the market exhibits characteristics of perfect competition, monopoly, oligopoly, and monopolistic competition.
- Competency 309.2.1: International Business Environment
  The graduate understands and can make recommendations for competing in the global business arena.
- Competency 309.2.2: International Trade
  The graduate can recognize the implications of international trade and make recommendations based on a firm's mission.
- Competency 309.2.3: Global Operations
  The graduate can determine the advantages and disadvantages of various types of global operations.
- Competency 309.3.2: Cultural Sensitivity
  The graduate demonstrates sensitivity to cultural differences that impact business practice in foreign markets.

Course Instructor Assistance
As you prepare to successfully demonstrate competency in this subject, remember that course instructors stand ready to help you reach your educational goals. As subject matter experts, mentors enjoy and take pride in helping students become reflective learners, problem solvers, and critical thinkers. Course instructors are excited to hear from you and eager to work with you.
Successful students report that working with a course instructor is the key to their success. Course instructors are able to share tips on approaches, tools, and skills that can help you apply the content you’re studying. They also provide guidance in assessment preparation strategies and troubleshoot areas of deficiency. Even if things don’t work out on your first try, course instructors act as a support system to guide you through the revision process. You should expect to work with course instructors for the duration of your coursework, so you are welcome to contact them as soon as you begin. Course instructors are fully committed to your success!

Preparing for Success

The information in this section is provided to detail the resources available for you to use as you complete this course.

Learning Resources

The learning resources listed in this section are required to complete the activities in this course. For many resources, WGU has provided automatic access through the course. However, you may need to manually enroll in or independently acquire other resources. Read the full instructions provided to ensure that you have access to all of your resources in a timely manner.

Automatically Enrolled Learning Resources

You can access the learning resources listed in this section by clicking on the links provided throughout the course. You may be prompted to log in to the WGU student portal to access the resources.

VitalSource E-Texts

The following textbooks are available to you as e-texts within this course. You will be directly linked to the specific readings required within the activities that follow.


*Note: These e-texts are available to you as part of your program tuition and fees, but you may purchase hard copies at your own expense through a retailer of your choice. If you choose to do so, please use the ISBN listed to ensure that you receive the correct edition.*

Thinkwell

You will access Thinkwell materials in the following Thinkwell course at the activity level within this course. This web-based resource includes multimedia video lectures, review notes, interactive animations, and sample exercises.

- Thinkwell Economics
Other Learning Resources

Textbook Companion Websites

- *Economics*: McConnell 19/e
- *International Business*: Ball 13/e

Become familiar with the online publisher provided resources that support each respective text by clicking on the appropriate link above. When using the resources for specific chapters, select the chapter you want to review from the drop box at the top of the screen and review the various learning resources available.

*Note: Publishers provide free additional content on their respective websites as linked here. The content varies by publisher. “Premium Content” as marked with an asterisk (*) is also available as a student purchase if desired. The resources provided by WGU (e-texts and accompanying “free content”) is more than sufficient to prepare for this course.*

*Note: McGraw-Hill has changed their publisher-provided website to reflect the 13th edition of International Business. Some chapters have changed names, been renumbered, or eliminated. The links to the companion site below have been updated to reflect the new 13th edition information on the McGraw-Hill website, but the information aligns to your reading in the 12th edition.*

**Pacing Guide**

The pacing guide suggests a weekly structure to pace your completion of learning activities. It is provided as a suggestion and does not represent a mandatory schedule. Follow the pacing guide carefully to complete the course in the suggested timeframe.

- **Pacing Guide: Economics and Global Business Applications**

*Note: This pacing guide does not replace the course. Please continue to refer to the course for a comprehensive list of the resources and activities.*

**Marginal Analysis**

*Study Note: If you are new to the study of economics, reviewing the “Supply & Demand: Elasticity” section first will give you foundational information that will make it easier to understand the “Marginal Analysis” section.*

Chapters 8, 9, 10 and 11 in *Economics* explain the four market structures. In contrast to perfect competition, imperfect competition refers to markets characterized by monopoly (only one firm and no rivals) and also to monopolistic competition and oligopoly, where firms have rivals but do not face as much competition as purely competitive firms. Regardless of the structure, firms use marginal analysis to maximize their profits.

**How Do Households and Firms Use Marginal Analysis?**

Chapter 7 in *Economics* applies this concept to the decision-making behavior of businesses—businesses compare the marginal cost to the marginal revenue to determine the
level of output that would maximize profit. Regardless of the entity, optimal decisions are said to occur when the marginal cost is equal to the marginal benefit.

This topic addresses the following competency:

- Competency 309.1.1: Marginal Analysis
  The graduate correctly applies marginal analysis.

**Read Chapters 7 - 11 in Economics**

Read the following chapters in *Economics*:

- chapter 7 ("Business and the Costs of Production")
- chapter 8 ("Pure Competition in the Short Run")
- chapter 9 ("Pure Competition in the Long Run")
- chapter 10 ("Pure Monopoly")
- chapter 11 ("Monopolistic Competition and Oligopoly")

When you have completed the reading, you will be able to do the following:

- identify the relationship between marginal revenue, marginal cost, and profit
- know why economic costs include both explicit costs and implicit costs
- explain how the law of diminishing returns relates to the firm's short-run production costs; and
- differentiate among fixed costs, variable costs, total costs, average costs, and marginal costs
- compare and contrast the main characteristics of the four basic market models
- explain the conditions required for purely competitive markets
- know how purely competitive firms maximize profits or minimize losses
- tell how industry entry and exit produce economic efficiency
- describe why firms in any structure use the MR = MC rule of profit maximization

**Textbook Companion Website Activities**

Review the following chapters in *Economics* by engaging with the textbook companion website:

- chapter 7 ("Business and the Costs of Production")
- chapter 8 ("Pure Competition in the Short Run")
- chapter 9 ("Pure Competition in the Long Run")
- chapter 10 ("Pure Monopoly")
- chapter 11 ("Monopolistic Competition and Oligopoly")

**Thinkwell Activities: Chapters 4, 5 and 6**

To supplement your understanding, use the following resources from Thinkwell Economics Online:

- chapter 4 ("Productions and Costs")
- chapter 5 ("Pure Competition")
Supply & Demand; Elasticity

Chapter 3 covers supply and demand. The law of supply tells you that the supply curve slopes upward because the quantity supplied of a good increases when its price increases, holding other factors constant. The other side of the market is the consumer. Demand refers to the amount of a good or service buyers are able and willing to purchase. The law of demand indicates that the demand curve slopes downward, because the quantity demanded of a good increases when its price decreases, holding other factors constant.

Chapter 4 in Economics covers elasticity, a concept that helps you understand how people respond to changes in the price of the good, their income, or the price of a related good. The total revenue test helps business owners make important pricing decisions based on the elasticity of demand.

Supply & Demand; Elasticity

Supply and demand are the foundation of economic analysis and it is essential that you have a thorough understanding of these concepts. Pay close attention to the more subtle nuances of supply and demand, especially the "movement along a curve" versus a "shift" of the curve. Once you master those ideas the elasticity concept will help you understand market behavior as it pertains to responsiveness to changes in price or other factors that influence supply or demand respectively.

This topic addresses the following competency:

- Competency 309.1.2: Supply and Demand
  The graduate applies the laws of supply and demand to develop a desirable relationship between supply and demand in a given situation.

Chapter 3 in Economics

Read the following chapter in Economics:

- chapter 3 ("Demand, Supply and Market Equilibrium")

When you have completed the reading, you will be able to do the following:

- understand supply and demand
- know factors that affect supply and demand
- differentiate between elastic and inelastic demand
discuss the application of elastic and inelastic demand in a given marketing situation
use demand and supply concepts to determine market equilibrium
explain how changes in supply and demand affect equilibrium prices and quantities
describe what causes surpluses and shortages in the product market

Read Chapter 4 in Economics

Read the following chapter in Economics:

• chapter 4 ("Elasticity")

When you have completed the reading, you will be able to do the following:

• differentiate between elastic and inelastic demand
• discuss the application of elastic and inelastic demand in a given marketing situation
• use demand and supply concepts to determine market equilibrium explain how changes in supply and demand affect equilibrium prices and quantities
• describe what causes surpluses and shortages in the product market calculate price elasticity of demand and price elasticity of supply
• show the relationship between total revenue and price elasticity of supply explain the differences between price elasticity of demand and income elasticity of demand

Textbook Companion Website Activities

Review the following chapters in Economics by engaging with the textbook companion website:

• chapter 3 ("Demand, Supply and Market Equilibrium ")
• chapter 4 ("Elasticity")

Thinkwell Activities: Chapter 2

To supplement your understanding, use the following resources from Thinkwell Economics Online:

• chapter 2 ("Understanding Markets")

Economics and Global Business Applications Performance Task

Complete the following task in TaskStream:

• Economics and Global Business Applications: Task 309.1.2.08, 09

For details about this performance assessment, see the "Assessment" tab in this course.

Microeconomics: Industrial and Social Regulation by Government

Some have called deregulation the greatest social experiment of the last fifty years. Many industries have been deregulated since the 1980s, and there have been mixed results. The intention was to introduce more competition into those industries so that prices would decrease.
That would be a good thing for consumers, but did it actually happen? How has regulation or deregulation affected your life? Is regulation a good or bad idea? What ought to be the role of government in relation to the economy? How much regulation do you think is appropriate? Why?

**What Is Government Regulation and Why Does It Occur?**

Deregulation came about in the 1970s and 1980s as a result of the greater acceptance of the legal cartel theory, which gave increasing evidence of inefficiency in regulated industries, and the contention that government was regulating potentially competitive industries. Industries that were deregulated included airline, trucking, banking, railroad, natural gas, television broadcasting, electricity, and telecommunications.

Some criticize deregulation, but for the most part it appears to have caused lower prices, lower costs, and increased output, primarily from airlines, railroads, and trucking. Deregulation has also been attributed to technological advances in new and improved products.

This topic addresses the following competency:

- **Competency 309.1.3: Competition**
  The graduate analyzes a firm's competitive environment to determine whether the market exhibits characteristics of perfect competition, monopoly, oligopoly, and monopolistic competition.

**Chapter 18 in Economics**

Read the following chapter in *Economics*:

- [chapter 18 (“Antitrust Policy and Regulation”)](#)

When you have completed the reading, you will be able to do the following:

- describe the characteristics of natural monopoly
- describe the core elements of the major antitrust (antimonopoly) laws in the United States
- identify key issues relating to the interpretation and application of antitrust laws
- discuss the optimal level of social regulation

**Textbook Companion Website Activities**

Review the following chapters in *Economics* by engaging with the textbook companion website:

- [chapter 18 (“Antitrust Policy and Regulation”)](#)

**Message Board and FAQs: Competition and Government Regulation**

Visit the message board. Post comments, questions, and helpful learning hints. Read the FAQs and make suggestions for additional topics.

**Economics and Global Business Applications Performance Task**
Complete the following task in TaskStream:

- Economics and Global Business Applications: Task 309.1.3-06

For details about this performance assessment, see the "Assessment" tab in this course.

**International Business: The Global Business Environment**

Understanding international business begins with knowing historic events and appreciating the forces and institutions that shape this environment. International trade requires international organizations that are able to act as liaisons between trading entities. Trading blocs exist and impact trade among nations. Currency exchange, how the exchange rate is determined, and the role of the IMF must also be considered.

**Core Concepts of International Business**

A global economy requires an understanding and appreciation for the forces and institutions that shape this environment. Basic concepts that are important to any business entering or doing business internationally are introduced here.

This topic addresses the following competencies:

- Competency 309.2.1: International Business Environment
  The graduate understands and can make recommendations for competing in the global business arena.
- Competency 309.2.2: International Trade
  The graduate can recognize the implications of international trade and make recommendations based on a firm’s mission.
- Competency 309.2.3: Global Operations
  The graduate can determine the advantages and disadvantages of various types of global operations.

**Chapter 1 in International Business**

Read the following chapter in *International Business*:

- chapter 1 ("The Rapid Change of International Business")

When you have completed the reading, you will be able to do the following:

- explain how the internationalization of markets has forced dramatic changes in business practice
- list the various names given to firms that have substantial operations in more than one country
- explain how the Internet has impacted international business firms
- identify the five drivers/changes leading international firms toward globalization
- contrast how international business differs from domestic business
- know the three environments in which an international company operates

**Chapter 2 in International Business**
Read the following chapter in *International Business*:

- **chapter 2 ("International Trade and Foreign Direct Investment")**

What strategy can be used to begin or expand operations in a foreign company? How will this activity be funded? Chapter 2 introduces considerations regarding international trade and how to approach this process.

When you have completed the reading, you will be able to do the following:

- explain how international trade has grown
- know what direction international trade is heading and who trades with whom
- know what direction foreign direct investment is heading and how fast it is growing
- show what the reasons are for entering foreign markets
- explain why globalization of an international firm occurs over at least seven dimensions
- explain how a company can be partially global in some dimensions and completely global in others

**Chapter 4 in International Business**

Read the following chapter in *International Business*:

- **chapter 4 ("International Institutions from an International Business Perspective")**

International trade requires international organizations that are able to act as liaisons between trading entities. At times, disputes occur. Who will mediate? How are decisions enforced? What is the role of the trading bloc and how has this affected trade on a global basis? You will cover topics like these in chapter 4.

When you have completed the reading, you will be able to do the following:

- understand and appreciate how international institutions and agreements affect international businesses
- identify the activities of the United Nations (UN) in economic and social fields
- tell why the World Trade Organization (WTO) is important to world business and trade
- know about the European Union (EU) and how it affects business
- list the major purposes of the Organization for Economic Cooperation and Development (OECD)
- explain the four major levels of economic integration agreements and list other regional integration agreements

**Textbook Companion Website Activities**

Review the following chapters in *International Business* by engaging with the textbook companion website:

- **chapter 1 ("The Challenging World of International Business")**
chapter 2 ("International Trade and Foreign Direct Investment")
chapter 3 ("International Institutions from an International Business Perspective")

Note: McGraw-Hill has changed their publisher-provided website to reflect the 13th edition of International Business. Some chapters have changed names, been renumbered, or eliminated. The links to the companion site below have been updated to reflect the new 13th edition information on the McGraw-Hill website, but the information aligns to your reading in the 12th edition.

Message Board and FAQs: International Business

Visit the message board. Post comments, questions, and helpful learning hints. Read the FAQs and make suggestions for additional topics.

International Business: Cultural Sensitivity (Part 1)

The following chapters of the "International Business" section of this course will prepare you to submit the "Cultural Sensitivity" task (309.2.4-05-07) in TaskStream for grading.

The term *cultural sensitivity* refers to an appreciation of the cultural differences found within a global economy. People everywhere share many common attributes and characteristics, but regional, ethnic, and cultural differences also exist. Businesses that operate internationally must decide on the "right" approach for bringing their products to various markets. Political, legal and financial forces also impact the way business can be conducted in various parts of the world.

Sociocultural Forces and Labor Forces

People everywhere share many common attributes and characteristics, but regional, ethnic, and cultural differences also exist. How does a business that operates internationally decide on the "right" approach for bringing their products to various markets?

This topic addresses the following competency:

- Competency 309.3.2: Cultural Sensitivity
  The graduate demonstrates sensitivity to cultural differences that impact business practice in foreign markets.

Chapter 5 in International Business

Read the following chapter in *International Business*:

- chapter 5 ("Sociocultural Forces")

When you have completed the reading, you will be able to do the following:

- describe how multicultural issues impact the marketing approach for products in a given market
- explain how cross-cultural communication issues affect marketing strategies
- evaluate the impact of cross-cultural ethical differences on marketing strategies
- understand the significance of culture for international business
understand the sociocultural components of culture

Chapter 11 in International Business

Read the following chapter in *International Business*:

- chapter 11 ("Labor Forces")

When you have completed the reading, you will be able to do the following:

- recognize forces beyond management control that affect the availability of labor
- understand the basics of the immigration system in the United States
- discuss labor productivity
- understand women's labor, employment, and social roles

Markets, Entry Modes & Marketing

As a business owner you have decided that it is a good idea to go international. Now what? Is your current marketing strategy appropriate? What cultural considerations need to be included in your marketing strategy? How do you enter the targeted market in the first place?

This topic addresses the following competencies:

- **Competency 309.2.1: International Business Environment**
  The graduate understands and can make recommendations for competing in the global business arena.
- **Competency 309.2.2: International Trade**
  The graduate can recognize the implications of international trade and make recommendations based on a firm's mission.
- **Competency 309.2.3: Global Operations**
  The graduate can determine the advantages and disadvantages of various types of global operations.

Chapter 14 in International Business

Read the following chapter in *International Business*:

- chapter 14 ("Assessing and Analyzing Markets")

When you have completed the reading, you will be able to do the following:

- describe how multicultural issues impact the marketing approach for products in a given market
- explain how cross-cultural communication issues affect marketing strategies
- understand international market entry methods

Chapter 15 in International Business

Read the following chapter in *International Business*:
chapter 15 (“Entry Modes”)

When you have completed the reading, you will be able to do the following:

- identify two different forms of policy and discuss which might be helpful and harmful to firms doing international business
- explain why firms export and the three problem areas of exporting
- identify some sources of export financing

Textbook Companion Website Activities

Review the following chapters in *International Business* by engaging with the textbook companion website:

- chapter 4 (“Sociocultural Forces”)
- chapter 12 (“Assessing International Markets”)
- chapter 13 (“Entry Modes”)
- chapter 14 (“Export and Import Practices”)

Note: McGraw-Hill has changed their publisher-provided website to reflect the 13th edition of *International Business*. Some chapters have changed names, been renumbered, or eliminated. The links to the companion site below have been updated to reflect the new 13th edition information on the McGraw-Hill website, but the information aligns to your reading in the 12th edition.

International Business: Cultural Sensitivity (Part 2)

It has been said that in the global marketplace (where there is no global standardization of products or brands because consumers are not standardized), businesses aim for either the lowest common denominator advertising or advertising that is specific to a particular market, and not anywhere else. What is your opinion?

**Export and Import Practices and Marketing Internationally**

This section continues to answer the questions every business that wants to operate internationally needs to address about marketing practices, cultural considerations, and financing. These are all serious issues that must be carefully thought through to be successful.

This topic addresses the following competencies:

- Competency 309.2.1: International Business Environment
  The graduate understands and can make recommendations for competing in the global business arena.
- Competency 309.2.2: International Trade
  The graduate can recognize the implications of international trade and make recommendations based on a firm's mission.
- Competency 309.2.3: Global Operations
  The graduate can determine the advantages and disadvantages of various types of global operations.
• Competency 309.3.2: Cultural Sensitivity
  The graduate demonstrates sensitivity to cultural differences that impact business practice in foreign markets.

Chapter 16 in International Business

Read the following in *International Business*:

• [chapter 16 (“Export and Import Practices”)]

When you have completed the reading, you will be able to

• explain the three problems associated with exporting for firms,
• identify and explain terms of sale, and
• identify the sources of export financing and how firms use them.

Chapter 17 in International Business

Read the following chapter in *International Business*:

• [chapter 17 (“Marketing Internationally”)]

When you have completed the reading, you will be able to do the following:

• understand why there are differences between domestic and international marketing
• explain why international marketing managers may wish to standardize the marketing mix
• explain why the design of organizational structures is important to international companies

Textbook Companion Website Activities

Review the following chapters in *International Business* by engaging with the textbook companion website:

• [chapter 14 (“Export and Import Practices”)]
• [chapter 15 (“Marketing Internationally”)]

*Note:* McGraw-Hill has changed their publisher-provided website to reflect the 13th edition of International Business. Some chapters have changed names, been renumbered, or eliminated. The links to the companion site below have been updated to reflect the new 13th edition information on the McGraw-Hill website, but the information aligns to your reading in the 12th edition.

Message Board and FAQs: Marketing Internationally

Visit the message board. Post comments, questions, and helpful learning hints. Read the FAQs and make suggestions for additional topics.

International Business: Forces that Affect International
Trade (Part 3)

Political forces affect international business, and businesses have become more and more sensitive to these political forces as they plan operations. A hospitable political atmosphere permits business to flourish, even if the country is poor in natural resources. The opposite is also true, and some countries blessed with natural resources are poor because of government instability or hostility.

Legal forces also affect firms doing business internationally, and they must be aware of the size and complexity of various legal problems. A myriad of laws exist that differ from one country to another. How are disputes settled? How will contracts be enforced? How are copyrights and patents protected?

Financial forces also create issues for firms when doing business internationally. Considerations must be given to foreign currency exchange quotations, spot and forward rates, government intervention, and government controls in exchange markets. The impact of inflation is also a concern.

**Political, Legal, and Financial Forces**

If all politics are local, what must a business know and learn about the political forces that exist in the foreign country it operates in? What about the legal and financial forces? Lack of understanding or appreciation of the differences in the foreign country could spell disaster for the domestic business. Knowledge is power.

This topic addresses the following competencies:

- **Competency 309.2.1: International Business Environment**
  The graduate understands and can make recommendations for competing in the global business arena.
- **Competency 309.2.2: International Trade**
  The graduate can recognize the implications of international trade and make recommendations based on a firm's mission.
- **Competency 309.2.3: Global Operations**
  The graduate can determine the advantages and disadvantages of various types of global operations.
- **Competency 309.3.2: Cultural Sensitivity**
  The graduate demonstrates sensitivity to cultural differences that impact business practice in foreign markets.

**Chapter 8 in International Business**

Read the following chapter in *International Business*:

- [chapter 8 ("Political Forces")](#)

When you have completed the reading, you will be able to do the following:
• identify how ideological forces affect business
• explain the meaning of government privatization of business
• describe the importance of government stability and policy continuity for business
• define and assess country risk

Chapter 9 in International Business

Read the following chapter in *International Business*:

- chapter 9 ("Intellectual Property and Other Legal Forces")

When you have completed the reading, you will be able to do the following:

• define the legal forces that confront international business
• explain why foreign law is important
• define contract devices and intellectual property
• define antitrust laws
• describe how U.S. laws affect international business operations

Chapter 10 in International Business

Read the following chapter in *International Business*:

- chapter 10 ("Understanding the International Monetary System and Financial Forces")

When you have completed the reading, you will be able to do the following:

• define foreign exchange (FX) markets;
• define currency exchange risks and currency exchange controls
• explain how financial forces such as balance of payments, tariffs, taxes, inflation, fiscal and monetary policies, and differing accounting practices affect business
• explain how the world monetary system developed from the end of World War II to the present
• know about the original and revised activities of the International Monetary Fund
• tell about the purposes of the World Bank
• list the relative strengths and weaknesses of currencies and the reasons for them
• understand the balance of payments (BOP)
• realize how "Big Mac Currencies" and purchasing power parity theory relate
• list the major foreign currency exchange (FX) markets of the world

Textbook Companion Website Activities

Review the following chapters in *International Business* by engaging with the textbook companion website:

- chapter 6 ("Political and Trade Forces")
- chapter 7 ("Intellectual Property and Other Legal Forces")
- chapter 8 ("The International Monetary System and Financial Forces")
Note: McGraw-Hill has changed their publisher-provided website to reflect the 13th edition of International Business. Some chapters have changed names, been renumbered, or eliminated. The links to the companion site below have been updated to reflect the new 13th edition information on the McGraw-Hill website, but the information aligns to your reading in the 12th edition.

Message Board and FAQs: Political, Legal, and Financial Forces

Visit the message board. Post comments, questions, and helpful learning hints. Read the FAQs and make suggestions for additional topics.

International Business: Global Operations

International strategy is concerned with the way firms make fundamental choices about developing and deploying scarce resources internationally. International strategy involves decisions that deal with all of the various functions and activities of a company, not merely a single area such as marketing or production.

To be effective, a company's international strategy needs to be consistent among the various functions, products, and regional units of the company (internal consistency) as well as with the demands of the international competitive environment (external consistency). You also need to consider global operations and supply chain management. Global markets and global competition have forced management to search for methods to lower costs and improve the quality of products.

Often, the solution is to outsource non-core activities in an effort to focus on firm core competencies. Outsourcing of non-core activities has accelerated due to increasing technology and decreasing cost of international communication. Plant location, size, and inventory techniques are also important. Another factor to consider is that international companies without effective human resource policies will find themselves failing to execute in the international marketplace. Effective managers for international companies are in high demand but often in short supply.

Strategic Management Concepts for Competing Globally

What are the essential elements of a successful international strategy? Does one size fit all or does a business need to be knowledgeable about and employ the best possible strategy in every unique situation? How does outsourcing affect the business and what are the appropriate strategies for inventory? These and other considerations are essential for the success of any international business.

This topic addresses the following competencies:

- Competency 309.2.1: International Business Environment
  The graduate understands and can make recommendations for competing in the global business arena.
- Competency 309.2.2: International Trade
  The graduate can recognize the implications of international trade and make recommendations based on a firm's mission.
- Competency 309.2.3: Global Operations
  The graduate can determine the advantages and disadvantages of various types of global operations.
- Competency 309.3.2: Cultural Sensitivity
  The graduate demonstrates sensitivity to cultural differences that impact business practice in foreign markets.

**Chapter 12 in International Business**

Read the following chapter in *International Business*:

- chapter 12 ("International Competitive Strategy")

When you have completed the reading, you will be able to do the following:

- determine international strategy, competencies, and international competitive advantage
- conduct the steps in the global strategic planning process
- describe why new directions in strategic planning are important
- explain how to use global, multidomestic, and transnational strategies
- define industrial espionage

**Chapter 18 in International Business**

Read the following chapter in *International Business*:

- chapter 18 ("Global Operations and Supply Chain Management")

When you have completed the reading, you will be able to do the following:

- explain the concept of supply chain management and design
- list the five global sourcing arrangements
- explain why the added costs of global sourcing are important
- define just-in-time (JIT) production systems and identify their problems
- define six-sigma systems
- list impediments to global standardization of production processes and procedures

**Chapter 19 in International Business**

Read the following chapter in *International Business*:

- chapter 19 ("Human Resources Management")

When you have completed the reading, you will be able to do the following:

- describe regional or cultural differences in labor conditions
- define global mind-set
- show the relationships among competitive strategies (international, multidomestic, regional, and transnational) and international human resource management approaches (ethnocentric, polycentric, region-centric, and global)
• define *IC executives* and explain why it is difficult to find qualified executives for international companies (ICs)

**Textbook Companion Website Activities**

Review the following chapters in *International Business* by engaging with the textbook companion website:

- chapter 9 ("International Competitive Strategy")
- chapter 16 ("Global Operations and Supply Chain Management")
- chapter 17 ("Managing Human Resources in an International Context")

*Note: McGraw-Hill has changed their publisher-provided website to reflect the 13th edition of International Business. Some chapters have changed names, been renumbered, or eliminated. The links to the companion site below have been updated to reflect the new 13th edition information on the McGraw-Hill website, but the information aligns to your reading in the 12th edition.*

**Message Board and FAQs: Competing Globally**

Visit the message board. Post comments, questions, and helpful learning hints. Read the FAQs and make suggestions for additional topics.

**Economics and Global Business Applications Performance Task**

Complete the following task in **TaskStream**:

- Economics and Global Business Applications: Task 309.2.4-05-07

For details about this performance assessment, see the "Assessment" tab in this course.

**Final Steps**

Congratulations on completing the activities in this course! This course has prepared you to complete the assessments associated with this course. If you have not already been directed to complete the assessments, schedule and complete your assessments now.