

**Management Information System**  
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**Week - 12**  
**Managing Global Organizations and Global Projects**  
**Lecture – 01**  
**Managing Global Organization – Globalization (Part 1)**

Hello and welcome to this new session which will be covering topic called “Managing Global Organizations and Global Projects”! So, over a series of 5 lectures, I will be talking about this subject on; how in modern times we are managing global organization because it is very important now-a-days from a MIS perspective or for various business perspectives; organizations have become global in nature.

So, nowadays we do not talk about only a very country’s specific operations. So, most of the companies are operating multinational on basis, so the various operations in various places. Sourcing of raw material, so one of the key thing is that large companies they are now having sourcing operations vendors, suppliers from the everybody is looking for lower costs see this entire outsourcing is basically fundamentally how to reduce costs.

So, if I get some material from cheaper from say Philippines, so I will procure it from Philippines. So, if I get some cheap labor working on my material which I procure from Philippines wherever say maybe in Bangladesh and India, I will use the labor from there.

So, I will get the material imported from transferred from Philippines or Indonesia or Malaysia somewhere bring it to India and Bangladesh and where people will actually make those garments.

For example, so, the garment industry is a heavy user of this thing outsourcing. Then the IT of course, it services in that is how it started this global outsourcing business altogether, so that is what the book I have referred here is the World is Flat, it talks all about Friedman’s the Friedman’s book talks all about this IT outsourcing business.

I mean the book starts with a interview with Nandan Nilekani of Infosys. And if he studied the entire Infosys model, Friedman and he developed his wrote his book basically based on

the success growth and success of the organization Infosys which is into IT service, IT Global Outsourcing Management.

So, that is why uh it is billions of dollars of businesses happening through this, and hence it is very important that as a management student, as potential managers of information system, you should be aware of how these global services organization work, what are the management things information systems, information technology involved, and how it helps these organizations to run their business.

Because ultimately to run any business you need information system, information technology, you cannot run a business today without the help of information technology and information system. And bigger the business, more of information system and technology you need.

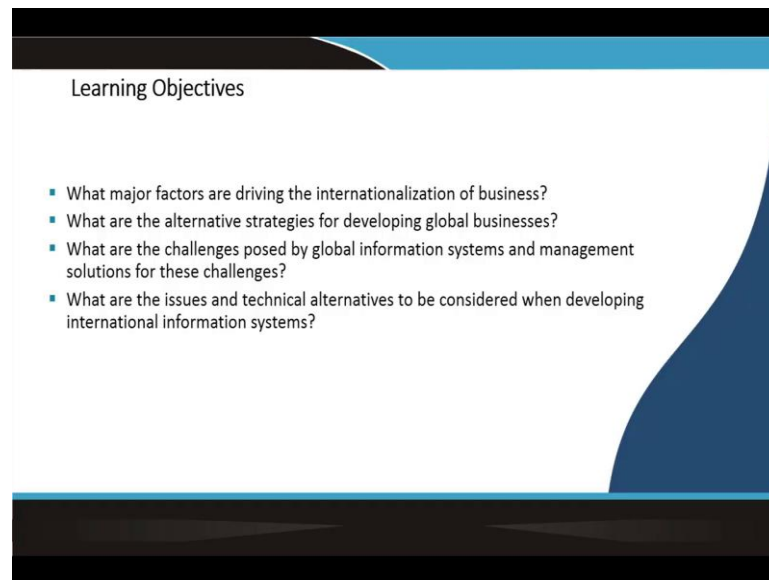
And globalization has made these businesses spread out because now you are talking about partners, supplier as a partner, customer as a partner. So, with partners, you have to continuously exchange information.

You have seen how you develop your product when you are developing a product. You have to involve your partners your suppliers right from the beginning, because they are a essential part because the components because you do not make everything in-house.

Earlier days, things you know 50, 60, 100 years back, company used to make probably 80-90 percent of the components inhouse within the factory premises. So, there are there was not so much significant role about the vendors. But the more and more things you get delivered from outside and you are doing primarily the assembling parts etcetera. So, you are more and more you are becoming dependent on your vendors.

Take the example of these iPhones – Apple. What does Apple do? Nothing does just the design. So, only doing the design and the product development, then its giving it to its all its vendors and supplies for the components. And then they getting all the components, and then is assembled by also a third party. Apple also does not assemble it themselves.

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Learning Objectives

- What major factors are driving the internationalization of business?
- What are the alternative strategies for developing global businesses?
- What are the challenges posed by global information systems and management solutions for these challenges?
- What are the issues and technical alternatives to be considered when developing international information systems?

So, the learning objectives are what major factors are driving the internationalization of business? What are the alternative strategies for developing global business? What are the challenges posed by global information systems and management solutions for these challenges?

And what are the issues and technical alternatives to be considered when developing international information system? That is where your role will come in a big way because you are an IT manager, you are going to be an IT manager, so you will decide: what are the alternatives to be considered when you are developing international information system?

But to do that, you need to understand the business. So, today primarily we will be involved in uh understanding the business, how globalization is working, so what are the features, what are the characteristics?

And only when you understand all those things then only you will be able to select the right technology the right it input which is required to run such an organization, so run such a globalized organization.

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What is meant by a Global Organization ( Globalization) ?

International business refers to the trade of goods, services, technology, capital and/or knowledge across national borders and at a global or transnational life. It involves cross-border transactions of goods and services between two or more countries.



Example - Apple Inc.



So, what is meant by global organization? Then, I am only talking about it. International business refers to trade of good, service, technology, capital and knowledge across national borders and at a global or transnational life. It involves cross-border transaction of goods and services between two or more countries.

So, I mean just a simple definition. So, you can always read it up. So, nothing new here. So, it involves cross border. So, again the example I am shows Apple US company, American company, it is just designing the product. Then it sources components from various places Germany, Italy, France, South Korea, Japan, China, and the final assembly is done at China.

So, the final product get shipped out of China to all over the world; including back to US and name it Apple iPhones are you know everywhere, so that is how this thing works. So, that is one classical example of how a global organization works. So, this is globalization.

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Characteristics of a Global Organization

- Large scale operations.
- Earns foreign exchange in multiple currencies
- Integrates economies.
- Large number of middlemen.
- High risk ( e.g. US - China trade conflict )
- International restrictions.
- Highly sensitive nature towards local laws and regulations
- Global Political alignments / Trading Partnerships
- **Multi – Languages , Multi - Cultural**

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Characteristics of a global organization. Large scale operations, earns foreign exchange in multiple countries. So, these are important things to note; because your system when you develop has to handle such complexities, you know foreign exchange you will be earning your finance system will be handling foreign exchanges in multiple countries. So, in rupees, Chinese – Yuan, American – dollar us, Euro, Europe euro and pounds and (Refer Time: 06:38) So, your software system has to handle so many currencies.

Integrates economies, so various economies. So, you could see from the previous chart which talk about US, and China, and South Korea, Europe, so all these have different economic systems and they it is there is an integration. Large number of middlemen, of course because you are you know talking to so many suppliers vendors, so there will be lot of large number middlemen, so that has to be also handled, because everybody knows the local factors.

So, you when you are going out to say Taiwan to do some business to get some supply, you need to know what are the local Taiwanese laws and regulations and practices. And who will tell you that, who will inform you that? You need middlemen; you need consultants who will help you.

So, these are the Taiwanese law, these are regulations, you will have to do this, you will have to pay some minimum something, something extra, statutory things, payment, etc. So, all those things you will need to know when you get into a business contract.

High risk. See whenever all this is global things happen, politics plays a big role. Now, you know US and China having a trade conflict nowadays. And after this Coronavirus etcetera we must have seen how US is blaming China, and this blame game has started and that is impacting trade.

International restrictions. Again these restrictions come because mostly from political reasons like sanctions US give sanctions against Iran and. So, India is exporting something to Iran, you cannot. US will tell you, you cannot or you are importing something from Iran us will restrict that for whatever reason. But that is impacting your business. So, you need to be aware of that. So, these are the risk factors.

Highly sensitive nature towards local laws and regulations which I have talked, yes, every country is very concerned about their laws and regulations, they want to protect their own citizens, they want to protect their earnings income, income tax, etc., so, that is why things are very-very sensitive.

So, when you go to a different country, you need to know, you need to educate your, yourself of all these things before you actually start your business; otherwise you might face problems in future.

Global political alignment, trade partnerships. Again we have talk these are you are seeing in the newspapers and you can realize how these trading partnerships and global politics you know impact; like China, for example, Pakistan, they are they have sort of a partnerships for whatever reason. But we do not; we do not have a partnership. So, the behavior changes, the business relationship changes, the way you we do business will change.

Multi-languages, multi-cultural now this is I put it in bold, because this is a very important thing again, but it is not so very easily comprehensive. You do not realize what is the problem with multi-language, what is the problem with multicultural. You do not realize. It is it really so important. It is fine. We everybody, we will talk in English or whatever the common language, but no.

Wherever you are doing an interaction with people especially business introduction understanding, communication is it is an extremely important thing, because everything goes through communication whether you are speaking phone or mail or videoconference etcetera it is happening.

Now, if there is a language difference, understanding problem. There can be cultural issues when you say something you mean something, but then other countries they might mean in a different way.

So, understanding the cultural nuances of different countries, especially this say Japanese culture, Chinese culture, we do not really understand and vice versa they do not understand that extent.

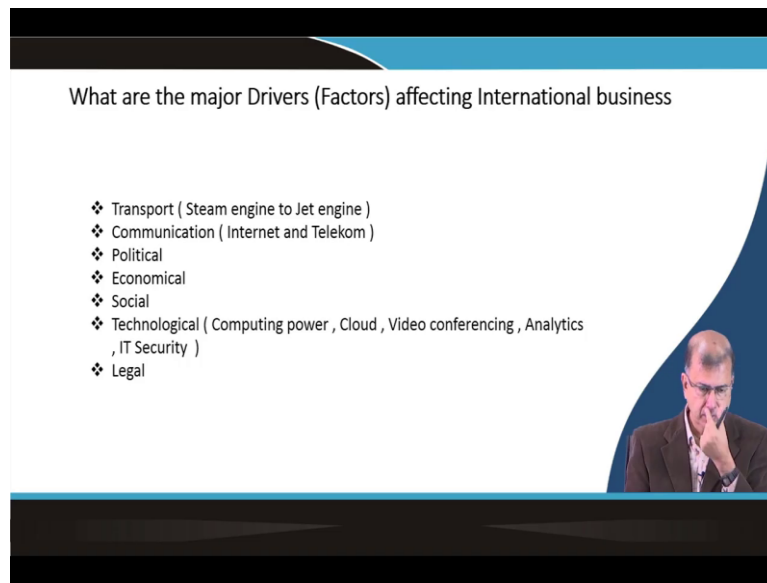
Like the way you do for at least we understand what the British, etc. are; they feel thing and talk etc. even Americans but Japanese, Chinese etc., but we are doing several business with Japanese and Chinese people.

So, they are interacting with them, and then you know their English knowledge is not so good. So, the way they speak, they are meaning something or trying to mean something, we try to we understand something else again vice versa, same thing happens in the reverse.

When we say something, in our English probably with their limited English knowledge, they may not be able to understand fully. And when you do not understand fully or clearly or the, it is understanding is common between the two parties, communication failure happens. And then misunderstandings will come and things like that and then, we will have problems.

So, this is again a very, very important characteristics of a global organization, this multi-language, multi-cultural may not seem very obvious compared to the other ones I have mentioned earlier, but it is from my experience, I will tell you I worked in a large organizations where I have interacted with several organization, several countries in different countries. I know obviously, (Refer Time: 11:31) in IT industry I worked several years in it industry and we know what is this impact of multi-cultural and multi-language issues can lead to.

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What are the major Drivers (Factors) affecting International business

- ❖ Transport ( Steam engine to Jet engine )
- ❖ Communication ( Internet and Telekom )
- ❖ Political
- ❖ Economical
- ❖ Social
- ❖ Technological ( Computing power , Cloud , Video conferencing , Analytics , IT Security )
- ❖ Legal

What are major drivers factors affecting international business? Those were the characteristics of the drivers, transport. Of course, it is from steam engine to jet engine. For example, nowadays all international flight is not they were not happening after the Corona crisis.

So, its impacting business definitely, people need to travel meet etcetera there are so many things interactions everything has got stopped. And transport plays a big role in everything. The cost, for example, the cost factor is a big thing we have to ship material from Indonesia to Australia or US, or from India to Europe I mean the major factor is cost transport cost.

Communication, internet and telecom that is becoming a major drivers. Because of this internet etcetera our communication has become much easier. So, it is helping in a big way in developing global globalization. So, the entire IT outsourcing business for example, is you know the work is being done from India say let us take India of course, many people are doing in China, Philippines etcetera.

So, primarily see India is one of the biggest player where till hundreds or thousands of people are working in the IT companies. What are they doing is they are solving the problems of their clients who are sitting thousands of kilometers away in Europe, US, Australia, Japan etcetera.



And the entire thing is happening because of communication because you need to talk you need to understand. So, you have conference calls not so much of video, it is mostly audio. And then you have to write emails and these are all 24 by 7 services.

A server goes down crashing for a large company business anytime in their data it means our nighttime and then immediately people will have to start get up and start solving the problem; because if the server crashes it is a huge loss for that company huge, huge business loss.

And when you are solving the problem, then both sides they are awake and you know the teams are working, and then you are continuously talking with each other ok. This is happening, that is happening, it is all communication depended. the entire probably the backbone of this business if it is one is internet of course, it is all without internet all these things would not have been possible.

So, after internet, it is next is communication, the next layer, the most important layer is internet connectivity. And on top of that, next layer is communication because without communication this entire IT outsourcing business will just close down, fail.

Political plays a big role, either it encourages or discourages either way. So, it could be you know it is a one of the major drivers. So, could we drive positively or negatively or whatever, but plays definitely and that is pretty obvious.

Economical of course, yes the whole thing is economical, because the whole thing started with how to reduce my cost the labor arbitrage what is now I said, how can I get the same thing done wherever in the world, but at a much lower cost. So, that it was the main driver was initially economical. So, how it started the whole thing outsourcing, if I outsource I can get it done cheaper.

Social, of course, is a one of a driver may not be very major, but definitely its the social factors uh again you know playing a role. And nowadays with the social media and all that you can see the various impacts on the business it has, because advertising for example, digital marketing for example, the entire thing is happening through your social media platform.

The sharing of whatever – file sharing, sharing information, sharing music, sharing so many things. So, you can do so many things social business you can do through using the social

platform. So, now with that you can do your business across the world using social media tools even things like Facebook as simple as that across the world without with minimum effort.

You can spread your information, you can spread your promote your videos for example, through YouTube for example. You make videos etcetera and you can earn money. Similarly, you can do several things using these social platform like YouTube, etcetera, Facebook and earn money, so that is business.

Technological – computing power, cloud, video conferencing, analytics, IT security, obviously, again so as I said if it is internet then communication and then of course, technology layer.

So, these are all these three layers are essentials bare minimum. So, you have the internet – the basic thing. Then you have the technology layer, and of course, then you have the communication layer. And the technology layer we know we are talking about computing powers, nowadays it has become very cheap.

And even computing power and communication because now you can make a phone call virtually free of cost, you can have videoconferencing free of cost, you just have to pay for your broadband.

And then you can log into Zoom or Google talk Google meet and whatever I can have a conference call across the world free of cost excepting that broadband or internet costs what you are giving to your broadband supplier. Then cloud, videoconferencing and analytics etcetera in a big way are also drivers.

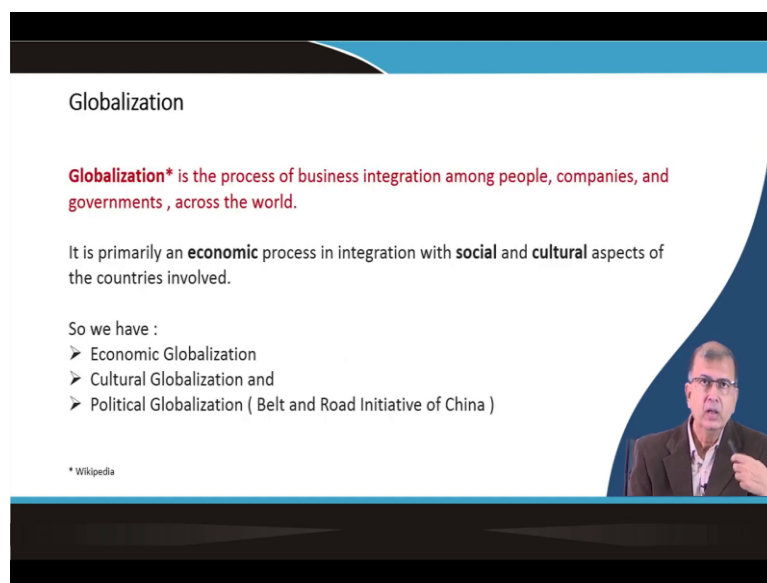
And of course, not to say IT security because that is a big challenge; any IT system is vulnerable to security breach. So, you have to be always very conscious about your security requirements. So, any, IT system you do, whenever you go for any outsourcing etcetera, the first thing the client will ask you about your security systems, because their data is with you.

The clients data, information, everything is with you at your end. Your people are accessing that. How secured is that, will there be any breach, will there be any misuse with any of your employees, or your supplier or anybody, can access your it network and steal for example, their data?

Legal, yes, of course, everything again that is you have to follow the IP laws etcetera, the country laws, countries physical laws. So, legal is always there for any business relationship for any business environment, we have to always keep the legal in mind. And then again it is becomes country specific because each country will have their own legal systems, their own legal processes, own legal court.

So, you always whenever you sign a contract between multiple countries, you have to decide the jurisdiction. If something goes wrong which country where you will have the legal procedure the place of the original customer or the supplier or the vendor etcetera, etcetera, or maybe a third party location; so, that has to be, needs to be finalized right at the beginning that at which country because these are very-very legal rules, are very-very country's specific.

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Globalization

**Globalization\*** is the process of business integration among people, companies, and governments , across the world.

It is primarily an **economic** process in integration with **social** and **cultural** aspects of the countries involved.

So we have :

- Economic Globalization
- Cultural Globalization and
- Political Globalization ( Belt and Road Initiative of China )

\* Wikipedia

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Globalization continue and globalization is a process of business integration among people companies and governments across the world. It is primarily an economic process in integration with social and cultural aspects of the countries involved, because economic it started with that how to save costs that was the prime driver of globalization – saving cost, reducing cost, getting service at a lower cost, or getting things manufactured at a lower cost. So, that was the prime the key the single most important driver.

However, it needs to integrate with social and cultural aspects of the countries involved because now we are talking about multiple countries, different people, different culture,

different language. So, we have economic globalization, cultural globalization and political globalization.

So, economic globalization we know, we are talking about cost. Cultural globalization also I have talked little bit, and how the cultural factors they impact. And political globalization one example is this, Belt and Road Initiative of China, I know if I do not know if you are aware of it. The China is thinking of integrating the whole globalization or the supply chain or the E-commerce or the entire economies of countries through a connected road, train, network etcetera.

India is, they have invited India, but India refused to be a member of that, but other countries are. So, it is the connecting say countries like Pakistan, China, the Nepal, then Malaysia, Bhutan, I mean Burma, (Refer Time: 20:06) Cambodia, the whole Southeast Asia you can think of and extending to almost Europe.

So, the entire region will be covered with a single road, rail initiative. So, that you can send goods transfer goods much easier without any restriction, without any customs etcetera slow down. So, things will get speeded up.

The whole idea is to speed up the economy, the E-commerce, the commerce part, so movement of goods and transactions and transport, so that resources or materials can be shipped from one country to another country much faster and cheaper, so that is the main initiative. So, this is something like uh globalization.

However, it is a economic globalization, but we are calling it political globalization because it is being driven by China one country and China ok, this is a different subject altogether.

It is becoming a big political power and you know it is going to control the smaller countries, but that is a different subject altogether. Just for you what you need to know that we can have something called also termed as political globalization.

However, the front end, the front face what China is promoting is basically economical globalization but at the backend, probably background, we do not know there could be some political motives behind such, so, that is why I have termed it as political globalization.

Because we need to be aware, we need to be conscious otherwise things can go wrong later on and we can be in trouble and that is the reason why India did not participate. Had it been pure economic, we would have participated.

But since we sensed or smelled something is wrong, maybe there is some political interest or intent behind such major initiative because they are investing lot of money in this. So, India backed out.

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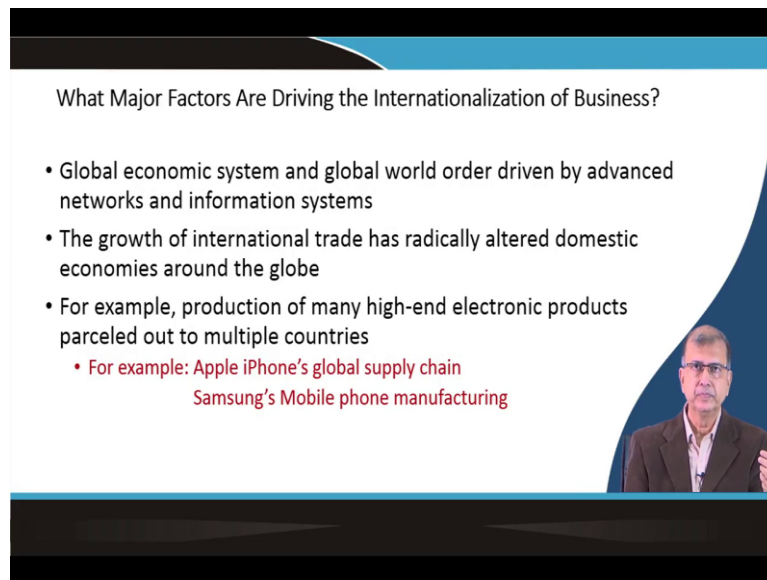
Internet users by region				
	2005	2010	2017	2019 <sup>a</sup>
Africa	2%	10%	21.8%	28.2%
Americas	36%	49%	65.9%	77.2%
Arab States	8%	26%	43.7%	51.6%
Asia and Pacific	9%	23%	43.9%	48.4%
Commonwealth of Independent States	10%	34%	67.7%	72.2%
Europe	46%	67%	79.6%	82.5%

\* Wikipedia      Source: [International Telecommunication Union](#).<sup>[1][3]</sup>      <sup>a</sup> Estimate.

Now, just some data internet users by region there are some figures like country wide it shows that how it is increase in 2019 figures; America's 77 percent of the people they use internet. So, in Europe, Asia Pacific various numbers. So, you can see these are taken from Wikipedia's available in Wikipedia etcetera.

And the more the number of internet users is growing, the more the number of users using phones are growing, using accessing computer internet etcetera. The more is a scope for growing becoming things becoming globalized. The globalization as per se is getting a boost because of increased internet users.

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What Major Factors Are Driving the Internationalization of Business?

- Global economic system and global world order driven by advanced networks and information systems
- The growth of international trade has radically altered domestic economies around the globe
- For example, production of many high-end electronic products parceled out to multiple countries
  - For example: Apple iPhone's global supply chain
  - Samsung's Mobile phone manufacturing

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What major factors are driving the internationalization of business, global economic system and global world order driven by advanced networks and information system?

So, we having this the technology part, the advanced networks and information system, this is the subject what we are discussing today primarily. We are managing information system and that is becoming a major driver for the internationalization, because without information without data, without information, we cannot do much.

The growth of international trade has radically altered domestic economies around the globe. So, because of this international trade, your domestic economy also gets impacted obviously, I mean the things are all very interrelated.

So, if I can start exporting things to places that make more money, probably I will not be selling those things in a in my country or other way around sometimes like this happened with recent HCQ medicine and all these corona time situation.

So, US wanted to you know buy everything and then the India did not want to want to supply. So, all those things happens lot of political again things impact what is, but ultimately its impacting internal international trade or certain some pharmaceutical companies are making lot of money in times of crisis when the one of their products become successful and they make lot of business.

So, they get large volumes also, they can increase the price, and they can control the supply whom to give and whom not to give depending on whatever their country political leaders advice. So, its impacts both domestic and international trade.

For example, production of many high end electronic products parceled out to multiple countries for example, Apple iPhones global supply chain, Samsung's mobile phone manufacturer, so these are all are international business.

So, they are not really restricted like Samsung mobile phone is not just you know made in South Korea for example. So, it is depending on supplies from so many countries to come out with that product.

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Strategy for developing an International Information Systems Architecture

- **Understand global environment**
  - Business drivers for global competition
  - Inhibitors creating management challenges
  - Multi – cultural aspects of employees and partners
- **Develop corporate strategy for global competition**
- **Develop organizational structure and division of labor**
- **Consider management issues**
  - Design of business procedures, reengineering, managing change
- **Consider technology platform**

The slide features a blue and white color scheme with a decorative wave graphic on the right side. A small video inset in the bottom right corner shows a man in a suit speaking.

Same with iPhone we have explained earlier, it is apart from design nothing is made in US the headquarters parent company, but everything is sourced from various countries, then assembled in China and then distributed.

Strategy for developing on International Information System Architecture. Now, how do we what sort of strategies we should employ to develop an International Information Systems Architecture?

Understand global environment. Of course, the first thing is to you have to understand the global environment. So, business drivers for global, what are the drivers for global

competition, inhibitors creating management challenges, multicultural aspects of employees and partners.

So, I have discussed that little bit, I will not go on repeating, but you keep in mind this multicultural aspect is a very important thing, but it is very difficult to conceive or see physically I mean you realize physically, but you have to feel it or experience it.

Develop corporate strategy for global competition. So, the, you have to always be aware of the global competition because today now-a-days everything is very competitive. See your information system also the architecture according to you has to take care.

Develop organizational structure and division of labor. Consider management issues design of business procedures reengineering managing change. This we have talked about little bit when we were discussing ERP, what is a business process designed, reengineering, and managing change. And consider the technology platform.

So, you are the person the information system person who will be deciding what is a right technology platform for your organization to when it tries to become when it goes grows global. So, when you are local, fine.

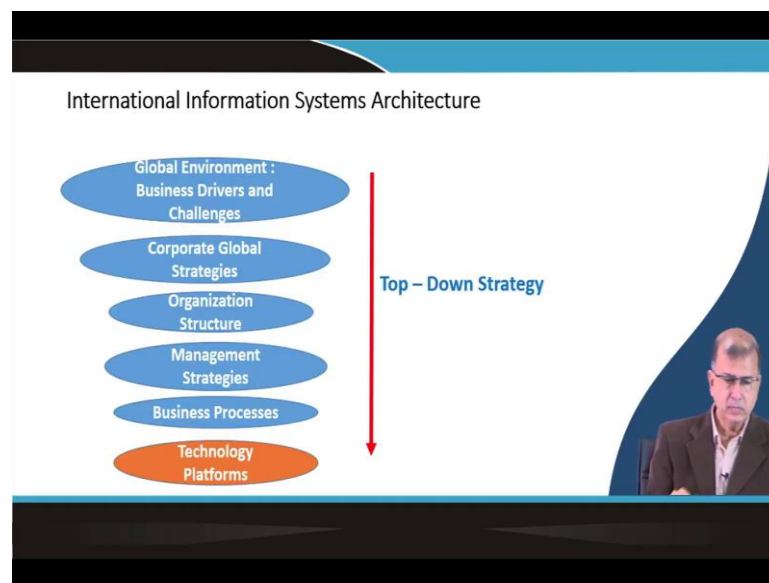
When you are global, you have to think differently, and this is what is the considering parameters or factors which you need to study in details and understand before you decide what is the technology platform, what is the real right solution which will help you become global the business to globalize.

So, that is the significance information system, why it is managing the information system in a global environment is. It is so important, it is difficult, it is not easy so, it is very important, and you have to consider several factors like these. And some of them are very tangible factors and some like that cultural part is rather intangible factor. I mean you do not perceive that virtually visually.

So, it is intangible, but it is there, you cannot ignore it. So, you have to consider it; keep it in mind. Do not ignore it, because it is not so prominent or visual you cannot see it easily, but keep that in mind these are very important things.



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International information system architecture, it is a top down strategy. Since global environment, you have to study that first business drivers challenges, then we come to corporate global strategies. Then from corporate to organization structure, then management strategies, then the business processes.

And then finally, the technology platform the same thing I was discussed in the previous slide; however, this is the view you need to start. Instead of top down, so start with the global environment business drivers and challenges; so, the big picture finally; yes; what is want we, want to do the final target.

And then come down gradually. So, what is my corporate global strategies, what is my organization structure to handle such strategies to deliver the goods or services, what you are planning to do, the business model, it will depend on the organization structure will depend on that what business model we are going to follow.

Then the management strategies of course, so every management aspect must have the strategy sales, manufacturing, the service, the finance, every year every field, every function must have their own strategies which we will combine to file overall the management overall strategies.

And then the business processes which are actually doing the operations that is at the ERP level, the transaction level because you have to now manage your business processes such that it can handle that global demand or the global requirement.

Because that be bit different from what you have when you are doing something local business, global demand their requirement is different, the timelines are different. They want things very fast; they want in large volumes.

They want in numbers. It is spread across the different country, different processes, different rules, different local laws and different custom rules. So, you know that we have been talking different legal procedures. So, all of that has to be built in into your business processes into your ERP system, so that is a big change we should change management.

And then comes the right selecting the right technology platform which will be delivering all of this we are talking about. Because that is where this technology platform is going to manage that is where you want to do will be doing your transaction that is what will give you all your reports and decision making systems and supports they will come from that. So, choosing the right technology platform is absolutely mission critical, and then that is that will form your base in the foundation.

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The Global Environment: Business Drivers and Challenges ....

- **General cultural challenges**
  - Cultural particularism ( Japan / China preferring local products e.g Baidu
  - Social expectations
  - Political laws
- **Specific challenges**
  - Standards
  - Reliability
  - Speed
  - Personnel

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The other business drivers' challenges, global the cultural challenge, social expectations political laws, cultural I have talked. Specific challenges – standards, reliability, speed and

personal, so these are very specific challenges. The standards, what sort of quality standards, other standards, legal standards, process standards because everything everybody wants very standardized operations.

Reliability how much they can depend on you as a supplier, how reliable you are in terms of quality and delivery time etcetera, etcetera, and of course cost. Speed, again how fast can you deliver service orders or manage changes if they change something can you manage that change.

The requirement suddenly changes can you adopt to that change fast. And of course, personnel what is the quality of people you have the engineering skills or management skills, finance skills, everybody wants a successful company organization must have very trained and qualified person to manage such organizations.

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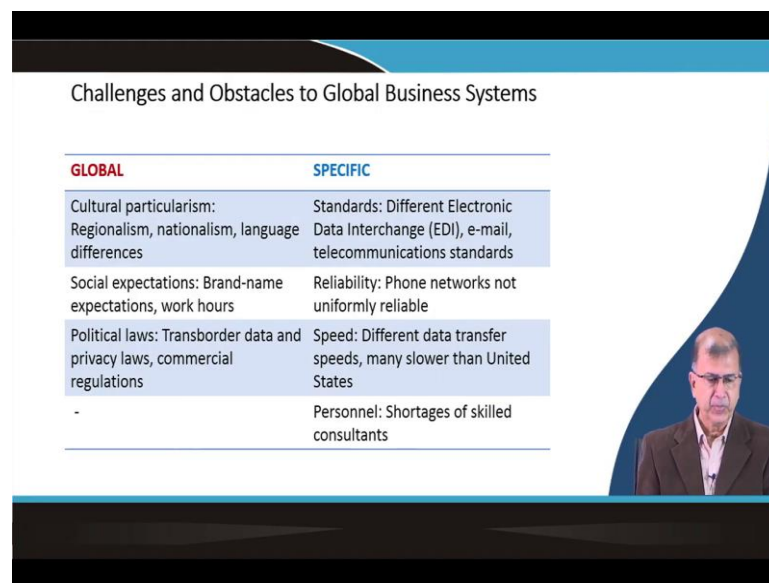
The Global Environment: Business Drivers and Challenges ....

GENERAL CULTURAL FACTORS	SPECIFIC BUSINESS FACTORS
Global communication and transportation technologies	Global markets
Development of global culture	Global production and operations
Emergence of global social norms	Global coordination
Political stability	Global workforce
Global knowledge base	Global economies of scale

A small video inset in the bottom right corner of the slide shows a man with glasses and a brown jacket speaking.

The global environment the business drivers challenges continuing on that specific business factors, the cultural factors, you can read guys we have already discussed that development of global culture, communication, emergence of global social norms, the social norms are changing, with all these communication and social platform etcetera the way we talk behave etcetera. And things become viral very easily, and then hardly any privacy all of our information's are out everybody knows e-commerce sites.

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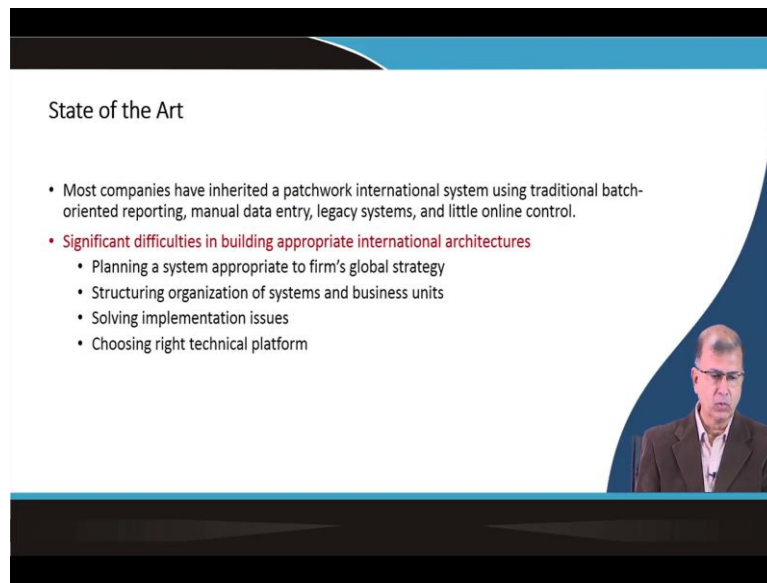
GLOBAL	SPECIFIC
Cultural particularism: Regionalism, nationalism, language differences	Standards: Different Electronic Data Interchange (EDI), e-mail, telecommunications standards
Social expectations: Brand-name expectations, work hours	Reliability: Phone networks not uniformly reliable
Political laws: Transborder data and privacy laws, commercial regulations	Speed: Different data transfer speeds, many slower than United States
-	Personnel: Shortages of skilled consultants

So, we have talked about this in earlier sections, so global knowledge base, global economies of scale, global workforce, global coordination, etc. And then cultural particularism like we have talked about cultural particularism; like Chinese, Japanese they were insist on their you know whatever they have their language, their products and they are very proud of their own cultural things. So, anything Japan will buy if it is a Japanese product, they will not buy anything else that is called particularism.

Social expectations, brand name expectations working hours, for example, can be varying from country to country. Political laws transborder data and privacy laws, commercial regulations, all of these you are seeing regularly; I mean in newspapers etcetera how keeping servers in different countries is not being encouraged nowadays.

So, India government will insist that all data captured in India should reside in servers in India for security reasons against. So, different standards, reliability, speed, different data transfer speeds may be slower than United States, personnel shortage of skilled consultants. So, these are all specific things which we need to look into when you are trying to solve the problem of the obstacles and challenges to the global system state of the art.

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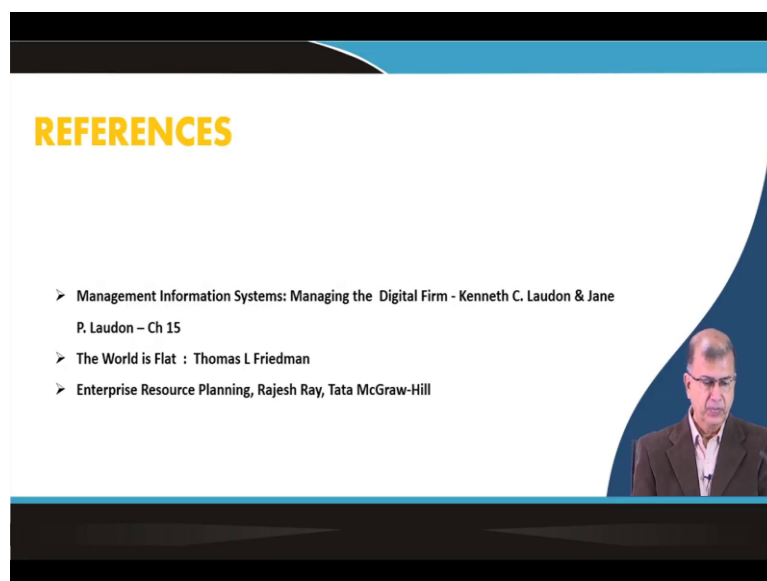
State of the Art

- Most companies have inherited a patchwork international system using traditional batch-oriented reporting, manual data entry, legacy systems, and little online control.
- Significant difficulties in building appropriate international architectures
  - Planning a system appropriate to firm's global strategy
  - Structuring organization of systems and business units
  - Solving implementation issues
  - Choosing right technical platform

Most companies have inherited a patchwork international system using traditional batch oriented reporting manual data entry legacy system. So, now, we move from a manual data entry where legacy system into sophisticated ERP systems.

Significant difficulties in building appropriate international architecture because unless you have a proper strong ERP, etc. you will not be able to manage a global business; solving actually, showing right technical platform.

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**REFERENCES**

- Management Information Systems: Managing the Digital Firm - Kenneth C. Laudon & Jane P. Laudon – Ch 15
- The World is Flat : Thomas L Friedman
- Enterprise Resource Planning, Rajesh Ray, Tata McGraw-Hill

And here the book, 'The World is Flat' by Thomas Friedman, this is very important, this particular book. If you can carried, you should read it; you will, the other books I have referred earlier but this book completely deals, talks about globalization.

Thank you very much!