



Chapter I

Global Enterprise Transitions

In this chapter we discuss:

- The background reasoning for global enterprise transitions (GET).
- The meaning of globalization.
- The four eras of global market evolution.
- The organizational transition scopes.
- The global enterprise transitions roadmap.

Globalization: Basic Reasoning

Globalization, especially in the business world of the 21st century, is inevitable. Today, almost all businesses face intense competition all around the globe. The rapid changes in the global environment force enterprises to seek suitable business strategies to sustain them. This leads enterprises to change the way they conduct and operate businesses, and transform themselves in a way that will enable them to cope with the global challenges, compete globally and eventually grow. The winners in this phenomenon are the companies that implement their business operations in the most creative and innovative manner

possible. Needless to say, this is done through the incorporation of information and communication technology (ICT) into business strategies and goals. In the past few years, IT has been recognized as an imperative factor that drives companies towards global operations (Palvia et al., 2002).

Globalization is an all-pervasive phenomena in today's world, with the business providing a significant context to the overall process. As former U.S. President Bill Clinton (2002) stated in his address at the University of California, Berkeley:

"A world characterized not just by a global economy, but by a global information society. When I took the oath of office as President on January the 20th, 1993, there were only 50 sites on the World Wide Web. When I left office, there were over 350 million and rising. Today, they're probably somewhere around 500 million. There's never been anything like it."

It has evidently indicated that the globalization process will not thrive without judicious exploitation of information technology. Consequently, the key words that emerge in performing innovative business operations are "globalization" and "information technology."

Consider how this globalization has evolved from the non-globalized business environment of the past. The report released by the Intergovernmental Panel on Climate Change — IPCC (2002) — described that "a per capita GDP growth rate of 2.5% per annum was achieved after World War II." This could be attributed primarily to the increasing closeness of the world community in terms of communication, interaction and dependency on each other. Subsequently, this closeness also drove many organizations to start expanding their business activities across borders with the aim of gaining more business opportunities and advantages. However, during that period in time, cross-border business activities were only limited to traditional trading of goods (for example, export and import of materials). The organizations undertaking this trade were still individually located in their home countries. Later, the world's day-to-day business operations were further transformed due to the invention of personal computers. The organizations' information flows (various presentations such as text, image, and voice) could be easily exchanged via an inconspicuous electronic cable (Blake, 1985). Finally the rapid evolution of computing technology to the Internet and the World Wide Web has brought organizations

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