

### Primary Forces at Work

#### Globalization

**Recovered Dominant Economies**

- Japan
- Germany

**Newly Industrialized Countries (NICs)**

- Korea
- Taiwan
- Singapore
- Spain

**Shift Toward Market Economies**

- Eastern Europe
- Russia
- China

**New Power Blocks**

- EEC 1992
- "Yen Block"

**Information Technology**

#### Results

- end of U.S. company dominance
- "value-added" competition among high-wage nations

- low-cost, high-quality commodities
- move toward "value-added"

- more sources of goods
- enriched global network
- wild card

- end of U.S. policy domination

- "age of intangibles"
- micro-markets
- "real-time" global/local linkages
- all products obsolete/ every product redefined
- entrepreneurial explosion
- all company relationships redefined
- economics of production and distribution scale challenged
- mixed-scale alliances
- markets over hierarchies

#### Overall Impact

"Global Village" Realized

**Economic Volatility**

- oil
- currency
- trade flows

**Lack of Cohesive Global Economic Leadership**

**Old Industry Restructuring**

- LBOs
- mergers and break-ups

**New Industry Emergence**

**Service Sector Dominance/"Service Added" in Manufacturing**

**Brain-based Everything**

#### Impact at Company Personal Level

**New Organizational Forms**

- no hierarchy

**New Combinations of Organizations**

- networks

**Perpetual Change**

**Careers Redefined**

- flexibility

**Education Redefined**

- lifelong
- creativity

**Everyone (person/firm) a "Global Player"**

**Entrepreneurs Taking on Any Task**

**New Winners and New Losers**

- jobs
- people
- firms
- industries

**Search for New Bases for Competitive Advantage**

- speed/time
- flexibility
- quality/design
- information technology
- alliances/networks
- fast innovation improvement
- skill upgrading
- "service added"
- "small within big"
- subcontracting
- globalization