

Impact of globalization on a successful business of Kosovo companies

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Abstract

The phenomenon of globalization presents a significant challenge to economic science. The globalization of world economy is a process whose consequences far beyond the economic sphere of modern society and which is now subject to a variety of multidisciplinary research. As a kind of mega trend that largely determines the current international economic trends, globalization has imposed new challenges and the economic theory. Globalization is characterized by growing interdependence national economy with the global economy. Dynamic changes in the world economy recent decades more and more important economic public strengthening the global economic ties and increasing integration of countries into a single world economic system faced the number of opponents in both the industrialized and developing countries. One of the most common arguments is that globalization intensifies the process of polarization of the world to the developed and underdeveloped countries, increasing economic inequality between and within individual countries, leaving the unsolved problem of poverty. However, recent empirical research suggests significant and positive impact of economic openness on economic growth in the country. In fact, growth and development more important and have a clear impact on economic inequality within a country. As a result of this fact, the openness of the economy to the world market of goods, services and capital is marked as important and necessary aspect of development strategies and poverty reduction in developing countries.

Keywords: Globalization, economic growth, global economy, developing countries, strategies of development.

Introduction

High growth rate of technological progress (information, communication, transportation, etc.), crucial contributed to the development of the institute of private property, which represents basis of economic independence, individual initiative, motivation, responsibility and interest in the economic results achieved. On this basis the development is based entrepreneurship, high corporate culture and organization. The common denominator of all these is the principle of interesting phenomena, which is the motive of all existence, and especially complex process of economic globalization, which permanently changes the distribution of economic and political power in the world in favor of the most efficient societies and economies. Interests and profits of economic motives globalization are numerous and the most important are: access to new markets, reducing the variety types of costs, sales growth, access to the resources of foreign countries (cheap, rare, quality etc.), the achievement of competitive advantage, lower taxes, or their avoidance, less environmentally standards, cheap labor, and everything is subsumed under the benefits of ownership, location and internalization. All this sometimes leads to new economic dogma, determinism and reductionism, but this time on a global level.

Economy of time, space and money is realized in practice the power, which is the best protection, specify and implement interests. The existence of cause and effect relation-economy-power-economy is the target function of interest, and all the rest are resources to the achievement

of a goal. Dominance financial, temporal and spatial dimensions of the global framework are the basic goal of huge capital. This is the best way to achieve not only a competitive advantage in the global market, but monopolistic top competencies, and through them the basic profit motive. It is clear that the dominance of money and time components decisive influence on ability to design and/or reconstruction of power over changes of spatial forms, which contain resource, market and other challenges.

In this way, large transnational capital super-active, strategically planned and functional coordination of the information of time, space and its own development

Resources and reproduction continues dominance in global relations, which tends to convert in the omnipotence of transnational financial oligarchy. Financial globalization, virtualization Tran nationalization of economic processes and the manifestations of economic globalization significantly contribute to the creation of so-called model civilization identity, which institutionally adapts to the most countries. The form of the global economic behavior and the rules created by transnational corporations (TNC) and transnational banks in most developed countries.

1. Globalization and the role of strategic alliances in the development of Kosovo companies

The organization of the economy and the race to gain competitive advantage, world trends focus on quality rather than quantity growth. Strategic alliances are very attractive

and necessary form modern economy. Including very complex processes involving research and management in general and not only changes. Strategic alliances are formed in order to expand markets and stabilize of operations of economic entities. These alliances are realized synergies arising asymmetric combination of competence and pacify competition (cross network ownership and the elimination of particulars)¹

Strategic alliances across the dynamism of conflicts of interest are all included cautious partners and thereby contribute to faster economic growth. In this sense, strategic alliances can play a significant role in enabling companies to effectively join the world processes of movement of capital and technology transfer. In addition, their efficient use should contribute to the restructuring of ownership transformation of our company and how the system fit management (reduction of transaction costs, rather than individual performance of our companies). Then, strategic alliances and technology contribute to the creation of vertical networks, consortium agreements, especially in the areas of research and development².

Globalization of markets causes internationalization and globalization of business enterprises. The state and capital markets products, development, condition developmental behavior of firms' innovation and organizational forms. Basically, in modern conditions (mainly as a race for gaining competitive advantage) is increasingly being confirmed by the quality, not quantity growth companies.

The rapid development of technology, on the one hand, and the liberalization of legislation on the other hand, promote the connection of the company constantly striving to adapt to business environment, in the direction of the enterprise connectivity (strengthening mutual dependencies) increase competitive position in the market. Thus, under the influence of globalization, creating a strategic alliances and coalitions on the basis of which (through synergy) increase regularly the growth of all companies involved the business alliance. Those strategic alliances assume a flexible form a strategy (Marketing arrangements, licensing, research and development, procurement, franchising, joint investments, consortia, etc.) in terms of: increasing the volume of sales (by expanding the boundaries markets), access to modern technologies, synergistic effects (combination of asymmetric advantages of firms), access to rare resources, relativism (relief) conditions of entry to new markets, the intensification of international business (capital and knowledge).

Strategic alliances are, therefore, very flexible and attractive form for the realization developmental behavior of enterprises. Combining economies of scale and economies of all widths longer requires a different business and organizational arrangements that are independent and complacency companies consciously subjugates propulsive economy. So, instead of competitive collision-based soloing, look for the ways that will lead to pacification competition, or helping in removing barriers.

Firms involved have possibility of combining asymmetric advantages to ensure mutual benefit in performance new markets, on the one hand, and technological areas, on the other side. This is increasingly affirming combined modalities of growth, instead of pure internal or external growth³. The developmental behavior enterprises are increasingly relying on a number of partners and special forms of cooperation, in order to maintain its vitality, and to increase resistance to shocks from the market. In this sense, behavior of firms and internal configurations are correlated with the relative's independence, limits of self-sufficiency and external growth. Modern enterprise realization of synergies able to achieve their development paths wide range of options, using the asymmetry in relationships among the parts, subtle maneuvers in the area of restructuring the business portfolio and establishing links with the environment⁴.

Thus, strategic alliances are increasingly being reported as a rational form of development behavior of modern corporations in its effort to adapt to changed market, technological and social trends. The processes of proliferation and the unbundling of business enterprises lead to the establishment of various forms of cooperation in the implementation of certain enterprise. The number shape and potential partners to enable the alliance provide wide scale use for the involved partners. Forms of cooperation in alliances are determined depending on the nature of work and expected results. Thus, they may include: capital investment agreement (one in action other firms), licensing, franchising, joint ventures, assisting in the production, marketing, research and development.

Mainly used by alliances can be classified as follows:

1. First Facilitating access to markets and sells provisions (contractual reallocation of individual products): combined performance in certain markets to overcome the barriers, the promotion of certain products with tighter arrangements, opening, development and control of distribution channels, achieving more stable and better resources, supply of raw materials, components and manufacturing services.
2. More efficient production management (neutralizing bottlenecks, improvement of production process and transfer of manufacturing know-how): uniform recruitment capacity utilization superior competence partners, promotion of new production processes (invention).
3. Used in product management (product value and increase effective complicating offers): timely product development and presentation of products on the market (license or other form), effectively creating a research and marketing assistance (diversification), securing distribution and after-sales service, reduce cost of production and marketing in completion of standards, increasing the image of the product (joint advertising).
4. Strengthening and effective management of

¹ Pero Petrović, *Marketing strategija I međunarodno poslovanje preduzeća*, Institut za spoljnu trgovinu, Beograf, 1995, str. 53.

² Branko Rakita, *Međunarodne marketing strategije*, Naučna knjiga, Beograd, 1999

³ Ibid., str. 126

⁴ Radovan Knežević, *Marketing*, Beogradska poslovna škola, Beograd, 2006

technology (expensive and uncertain technological research easier submitted to the Alliance): cross-licensing dilutes the cost, extending the research horizon, securing a critical mass of researchers, involvement of multiple partners (faster diffusion process innovation), and incentives for efficient implementation of research.

5. Acquiring and strengthening management and organizational know-how: the development of new managerial knowledge, promote a new culture and business organization, improvement of internal entrepreneurship.
6. Strengthening the financial strength: an arrangement increase or accelerate the affluence of income: significantly reduce certain expenses to fund certain activities, dilution costs and risks in better financial position.
7. Strengthening development potential: internal factors (production, marketing, research and development) external factors (overcoming barriers to entering the industry, anticipated use of opportunities). The use of alliances for the purpose of strengthening the market power of an enterprise can be reduced to⁵:
 1. Individual help: helping stakeholders (consumers, distributors, suppliers, competitors) with a basic idea of helping them help themselves in the insurance or expand market sales and purchases.
 2. Create a "strategic network" (collective power) over a multi-faceted connectivity groups of independent firms are trying to provide a common benefit, networks that are based on vertical alliances (relatively giving values that belong to each partner in the chain), network for shared use of technology for the realization of multidisciplinary network of institutions, networks that are based on cross-ownership.

2. Kosovo and business development company in market conditions

Development and functional capacity is measured by its market competitiveness. Important factors that determine the competitiveness of the market: the openness of the economy to competition with foreign or the degree of liberalization foreign exchange, the presence of monopoly and oligopoly structure in the economy, efficiency of antimonopoly legislation.

In essence, the competitive market requires a highly efficient economy and enterprises, to withstand competition in the domestic and foreign market. In this sense, the role of government is to the following activities: planning and fully open economy and liberalization of foreign trade exchange (reduction of high tariff and outside the customs safeguards), breaking artificially created manufacturing conglomerate and stimulate the development of competing manufacturers dominate in industries where monopolistic structures, additions to antimonopoly legislation (in the application and implementation). On the other hand, marketing is the most important role in identifying attractive areas of business activity, which allows the achievement of

competitive advantage, identifying features, if the company does not exist for their exploitation of power. Marketing knowledge as a skill (know-how) is something we should add one economy to stimulate growth and development. Marketing is considered a component that is often missing in the formula of development. When added to the marketing knowledge and skills, the business will adapt to the needs markets and more growth will follow.

All the complexity of environment touches the concept of business management, because the market-oriented company, natural, depending on the environment, and a large part of its internal configuration changes along with changes in system link with the environment.

Opportunities and risks to business success are formed in the dynamism of external factors, and the management of growth and development decisions marked predominantly the domain of structuring the relationship with the environment enterprises. Strategic management refers to the determination of company goals and relationships with the environment such that: allow following these goals, respect and streamed through the enterprise capabilities that the company is responsive to the continual demands environment⁶.

Complexity of activities, organizational structure and communication systems with the environment enterprises initiated by the need to build so-called strategic management paradigm that puts the spotlight on extroverted approach, i.e. anticipating the flow of events in the environment and training company that, consequently, the establishment of a productive and profitable relationship between your activities and environmental challenges.

Then, the amorphous and the turbulence of the environment increasingly affirm the need for training companies to strengthen its flexibility, i.e. ability to promptly seize the opportunities, or at low cost avoid adverse circumstances in their business. Here it comes training needs of companies that operate in uncertain conditions imposed by discontinuity, and provides surprises. One of the most important moments in the development of operational strategy is adjustment of external environmental factors.

More important moments characterize modern business conditions to realize the importance of certain options in strategic management (perceiving the future) growth and development companies, some might be⁷:

- Dynamic environment causes the two extreme options: to initiate new trends and changes (Product, process innovation through new products and markets) defends the current position (internal defensive flexibility, ie the strategy step by step).
- Diversification of activities is more common (especially concentric) in an effort to increase flexibility, and achieving economies of scale than the so-called exercise. Economy wide (scope Economics) - for diversified companies (through its organizational structuring and coordination

⁵ Slobodan Filipovci, „Globalizacija poslovanja i strategije menadžmenta transnacionalnih kompanija“, Novac i razvoj, br. 30-31/1996, str. 31.

⁶ Pero Petrović, *Marketing strategija preduzeća*, Institut za spoljnu trgovinu, Beograd, 1995, str. 57.

⁷ Momčilo Milisavljević, „Ponašanje preduzeća na globalnom tržištu“, *Marketing*, 2002, str. 6.

activities) creates the conditions for the efficient performance of some common activities, and achieves synergies in the management (of a specified portfolio of activities is achieved over the sum of individual parts of the organizational strategy multi-product company);

- Increase the degree of internationalization of business and the infiltration of multinational markets. This affirms the orientation of international marketing and strategic options ethno-centric polycentric and geocentric approach to international business activities;

- Increasing the size and complexity of enterprise activity complicates the problems. Management - matching the level of decentralization and efficiency of management (the dispersion of activities and internationalization of business requires consideration of each specific activity and market their effective involvement in the overall strategy of the company). This causes the application portfolio concept and the inauguration multi-division organizational forms;

- Respects the aspirations of the modern corporation and the regulation of socio-economic system, and when determining the direction, method and pace of growth will need to include external economies and priorities in the development of society. The company is treated as a node expanded social system that includes various constituent subsystems, such as investors, employees, customers, public, vendors and resellers;

- Development of technology and market borders manufacturing and marketing of modern philosophy companies and forcing him to question the boundaries and spatial structure of the business horizon.

(The development of technology, production management system as well as leveling the needs of consumers to allow room for growth and development required in the production of modular, group technology and the globalization of markets);

- Increased investment in research and development as well as furnishing and modeling of control information system, caused by the expansion of space and time by extending horizon in the management of modern production and marketing. (To the company enabled them to live in conditions of uncertainty and management of surprises, insists on reliance on the so-called. contingent, Multi-variety, conditional planning that would enable the thanks to the flexibility of the company and developed an information system, reacting to threats and likely still on track and not on the basis of inertia or forced moves.

3. Formulating global strategies of access to global markets company of Kosovo

The process of formulating a global strategy is essentially the activity of putting the relationship and coordination with the competence of the enterprise opportunities and threats in the international middle. Access to global markets requires a proper mix of business functions, adapted goals that they want to achieve. Different target markets have different stages in the life cycle international products. Analysis of global and individual national and regional markets basis define the objectives and strategies for each market, anticipating their interdependence. The emphasis is on the balance between global, regional and national

similarities and differences.

Aims to help companies make decisions on the selection of attractive markets, and thereby present three types of goals:

1. Short-and long-term return on investment (profits and cash flow),
2. Market participation (the ability to cope with competition)
3. Entrance to the so-called leading markets (particularly important goal in the initial phase).

For business success in the global market it is necessary that the company have adequate potential. The global market expertise and resources companies essentially determine the policy, strategy and structure. Access to global markets and assumes understanding fundamental determinants of national competitive advantage. The character and sources of competition competitive advantage differ not only by industry but also by segments (groups) branch. Companies win and maintain competitive advantage improvement, innovation and total success. According to Porter, four factors contribute to the nation that shapes the environment in which domestic companies compete to enhance or restrict the creation of competitive advantages: terms of factors - the position of the nation in production factors (skilled labor force and infrastructure), demand conditions - nature of domestic demand for products and services industries, and associated supporting branches - the presence or absence of branches that are connected or supplied (which are mutually competitive), strategy, structure and rivalry between companies - conditions in the national economy that directed the creation, organization, enterprise management, as well as the character of local rivalries.

Porter analysis determinants of national advantage, shows that the conditions for business success first are created in the national economy, respectively on the domestic market. Thus, the most important reason international success is the intense competition among companies within the domestic market.

Many authors cite more strategic options in the global market, or variations generic strategies (cost leadership in, differentiation and focus - on the basis of cost or differentiation) that are used in the domestic market.

The basic strategy in the global market is⁸:

1. Global strategy for high involvement (predominantly large company - the size of the economy),
2. Global strategy for the local share (large firms - strategic differentiation),
3. Global strategy "niche" (no dominant large and small enterprises - focusing products)

Then, we can consider four ways of achieving competitive advantage:

1. Global mega companies (serving the world market),
2. Company oriented to geographic "niche" (selection of target consumers),
3. So called, European specialists (present at national and regional markets) and regional specialists,
4. Companies "portfolio of customers"(great

⁸ Todorovci, Jovan, Đurčin, Dragan, i Janošević, Stevo, *Strategijski menadžment, Ekonomski fakultet, Beograd, 2004.*

diversification)..

These four strategies are not mutually exclusive. However, one of the key issues in decision-making into new markets is to reliably answer the question whether the company has a competitive advantage, and whether it is beneficial to emerging markets in search for a reliable answer to this question with a marketing point of view using a combination of: an internal analysis, Analysis competition, and external analysis. Based on the observation of competitive advantage may go to adequate search strategy into new markets. It is believed that those strategies are good which are based on the one hand - the competence of the company, and on the other - on the critical success factors in the industry⁹. The global orientation means that the company is not limited in business activities on known or traditional markets, but also attractive to new national markets (where it is important to choose the right time and right way into new markets). Some authors in this regard are six types of strategies¹⁰:

1. Approach to the market with a broad product line of high quality (the leaders in quality),
2. Innovators (individuality is a high percentage of new products)
3. The company follows an integrated strategy (integration, the concentration of consumers),
4. Company follows the strategic orientation of the narrower market (products of lower quality and modest marketing effort),
5. Company oriented to a market "niche" (a small number of consumers with relatively narrow product line)
6. Synergy Group (oriented to the relatively narrow width of the market with fewer new products).

4. Inclusion of companies in Kosovo to international business trends

Modern markets are exposed to a lot of protectionist measures, and traditional forms entries have become increasingly expensive and uncertain, and the internationalization of international operations and activities outside their own national space is almost no alternatives to the concept foreign economic relations. It is no longer enough to have exporting or investing abroad as the only strategy, and many companies need specific manufacturing capabilities, both at home and in abroad, that could deal with international business. On the other hand, companies chooses to develop the domestic market first before turning to the international can find themselves totally blocked by a well directed that competitors fixed their possessed own domestic markets. However, each company, primarily involved in the international flows must takes into account all elements of the business environment. At the micro level, it would practically mean that specifically points out several important implications for each undertaking aimed at global scene today:

1. Affirmation of new competitors, new methods of competition in all parts and all segments of

international markets,

2. Emergence of new markets (and countries with export expansion),
3. Emergence of new sources of supply (at lower prices),
4. Emergence of new potential partners for manufacturing and / or marketing arrangements (additional activity but also different in relation to a partnership with industrialized countries),
5. Narrowing of existing production lines of the traditional manufacturers (seeking market space for those items where they can have certain comparative advantages),
6. Economies of scale necessary companies (production in series in order to compete in international markets),
7. Companies must go to a significant degree, the internationalization of their production and marketing efforts and resources in order to survive in international markets.

On the other hand, observing the way generally realizing international operations today, involvement in international trade, companies from almost all countries are characterized using broad terms, variations and combinations, so the approach (compared with only 10-15 years); is now increasingly difficult to find large or multinational companies all alone, individually undertake certain international activities. If there are such, then they realize the process of internationalization. Although the process of internationalization of firms phase character, there is a big difference in the profiling capabilities of foreign operations among various enterprises under the influence of a series factors¹¹: company size, company policies toward foreign groups, the length of time spent in operations abroad, industrial branches which belong to the company, product type, number and specificity of the countries where it operates, characteristics of the country of domicile or the specifics of the national economy.

However, the profile of the operations of foreign companies is not given once and for all, but is subject constant changes in time and substance, due to the entry into new markets, changes in methods business in the old markets, leaving one type of business activity in old markets without taking the others, as a substitute for the former, etc. Therefore, it can make a difference in depth and breadth of engagement in international surgery. It is, in fact, the grading internationalization of enterprises (in comparison to that kind of company business practices specifically applied in their activities outside the national borders), the degree of internationalization Sales (IDS), the degree of internationalization of production (IDM), the degree of internationalization property (IDA), and the degree of internationalization of income or profits (IDP).

In terms of involvement and engagement phase of the enterprise can be modeled four types of possible orientation to international markets:

1. Ethnocentric (home market) orientation,
2. Polycentric (multi-country market) orientation,
3. Region centric (regional structure) orientation,
4. Geocentric (world market) orientation.

⁹ Pero Petrović, *Savremena poslovna diplomatija, Institut za međunarodnu politiku i privredu, Beograd, 2008, str. 104*

¹⁰ *Ibid.*, str. 211-215

¹¹ Mile Jovči, *Međunarodni marketing, Savremena administracija, Beograd, 2000, str. 31.*

International flows of goods, services, knowledge and capital are now so much embroiled in all comparison of economic life at all levels, to the increasingly have to reckon with the element foreign countries in planning, organizing and implementing its own economic activities in most comprehensive sense. Internationalization and multi-lateralization these flows, thereby, while increases in these conditions, the importance of establishing and maintaining economic ties at the international level in any form, level and scope. Internationalization of business and the emergence of the so-called multinational or transnational companies actualize issue of the relations between the top companies and its organizational units or headquarters and branch offices. Within the larger the number of modalities, often practiced: the international division structure, the global production structure, and matrix structures. Modalities depend on the structure of activity, its geographical dispersion and preferred management style, and dispersion of activities, location and level of organizational autonomy parts. In general terms, the path of internationalization of companies began adopting international concept of marketing. In a narrow sense, the way the internationalization of economic activity begins first transfer of production in the area of foreign national economy, or the first transmission production abroad means the first step toward the emergence of international firms.

Conclusion

End of the Cold War and the collapse of the bipolar structure of the world at the turn of the eighties nineties of the twentieth century has brought to the forefront of political and theoretical debate topic globalization. The contemporary wave of globalization has faster rhythm and it dominates the process all denser connectivity and interdependence. He came under the influence of rapid technological and information Revolution and the rise of more powerful transnational and supranational economic

forces and political institutions. There was a formation of global markets and to reduce the formation of increasingly interdependence, and it caused compression of space and time as well as to the dispersion of identical form of organization of life in almost the entire area of the social world. The most important feature of globalization however is the spread of democracy.

All these necessary changes necessitated a lot of dissatisfaction expressed, especially among working class in developed countries, whose jobs are threatened by competition from cheaper labor power of developing countries. Their demands for stronger protectionism yielded results in certain industries (textile and steel industry, for example), and above all in agriculture and food production. However, aware of the fact that, in the long run, respect the principles international division of labor leads to faster economic growth, the recent tendency among developed countries lead to reduction of import barriers for products originating from developing countries and increasing efforts to earthquakes with minimal social conduct structural transformation their economies. The liberalization of its foreign trade system will run just such pace that suits them. On the other hand, faced with development problems, a large poverty and low per capita income, developing countries appeal for the prompt removal barriers to their export products, and for increasing economic assistance. Economic growth that globalization brings to them is much needed. The interest is mutual, however, because the prosperity of countries developing leads a quiet and stable world that is certainly in the interest of developed countries. Strengthening awareness of the necessity of economic development of backward economies caused many international actions in solving burning problems of the world economy: poverty, low standards, weak perspective, health, environmental, educational and other problems.

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