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convincing example

Jane Fraser and Jeremy Oppenheim state in their article, "...companies operating in a global economy enjoy virtually infinite scope in strategy and organization. If anything, they face too many choices: how to define their industry, which customer segments to target, which countries to prioritize, how to manage the risks in uncertain geographies, how best to rationalize the business portfolio, what to own and what to influence, how to manage a complex network of external relationships, how to shape their organization's internal architecture, and which levers to pull to overcome the rigidities of the formal structure (21)." I disagree with this statement.

well-written!

(The only 10)

Although global companies have control over the destination of their industry, the standards of the consumers of the country become a difficult barrier in allowing the companies the infinite strategies as stated above.

and gov. regulators

For instance, Costco, known for its lower wholesale prices and items packaged in bulk expanded to Japan 2002 while keeping 60% of the same products and the quality standards it had in the US. However, there was difficulty marketing the same products and packaging to the Japanese people. Richard Chavez, head of Costco's Asia operations, talked about difficulties Costco had becoming established in his interview with *Business Week*. "People will buy in bulk, but not in large volumes as in the US." He also described the need for freshness and how sales increased when the Japanese consumers were aware of the quality behind the packaging.<sup>1</sup>

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Although Costco was allowed the infinite freedom to establish itself in Japan it had to adjust to the standards of the people in order to be successful. Each company has the choice on how and where to organize their business but Fraser and Oppenheim fail to state the need to be aware of the demands of the consumers driven by familiarities like the Japanese with the smaller packages and quality freshness in their food items.

<sup>1</sup> O'Connell, Patricia "Costco: Still Finding its way in Japan." *Business Week*. March 25, 2002. [http://www.businessweek.com/bwdaily/dnflash/mar2002/nf20020325\\_4462.htm](http://www.businessweek.com/bwdaily/dnflash/mar2002/nf20020325_4462.htm)