Going global: Are you ready for the challenges?

Due to the globalization process, everyday is more and more common to see companies distributing their products and services all over the world. However, to go global is not as easy as it sounds, companies have to face multiple challenges and they must overcome them in case they want to be profitable. Expectations from stakeholders grow along with the company's global expansion; they expect the company to increase its positive outcomes and to minimize the risks. However, behavior, stakeholders' expectations, moral concerns, regulations and laws vary from country to country due to culture and historical background; therefore, companies should perform an analysis of these practices to adopt (in case they are convenient) or at least to be aware of these aspects in each country where they operate. Globalization brings other challenges, such as:

*A huge supply chain, with different entities joined through market transactions, where the "main" companies outsource or import many of its products; thus, they could not be aware of their partners' practices; nonetheless, if any of the parts of the supply chain fails or behaves unethically, the main company or brand will be blamed for it.

*Any success, failure, social responsible or irresponsible action will have huge consequences in the company performance and image because of the global connections. The information will be quickly transmitted from one country to other one until it is worldwide known. Enterprises should be more careful with the information that they display and the actions that they take in any country and always do "well" in order to continue in their business.

*Stakeholders could form coalitions easily due to the new communication media, such as Internet that enable them to create linkages in minutes; then, they could share their interest and demands or take the same actions worldwide.

*The regulations in the country of new operations could be different or even lower from those ones in "the base country". If the company reduces its ethical, labor or wage standards in the new country, some stakeholders may regard that as an unethical and unfair behavior, even though these new standards are above the country's regulations

*The firms are exposed to the entrance of new and stronger competitors to the market; the competitors could have different policies and practices, which make them more competitive but less responsible; nevertheless, some times the local governments could not control these enterprises due to some international trade agreements that prevent countries of discriminating against some products, although those ones do not satisfy the country practices.

*Political systems influence people's freedom and companies operations, because according to the country's political freedom, the company will have different economic autonomy as well as different ethical exercises. For instance, respecting human rights and environmental laws.

*Some international organism and NGOS created some codes and precepts, rising private regulations and the so called "global codes of conduct", in order to try to regulate multinational corporations. Most of them are voluntary by nature, but as time goes by the enterprises are adopting them as compulsory norms due to social audits and public image.