

THINK GLOBAL, ACT LOCAL

The phrase 'Think Global, Act Local' was first used in the context of environmental challenges in order to improve our impact on the environment; it is more effective for an individual to reduce their own energy consumption than to wait for global action. But how about that in the context of business? Big companies such as McDonalds and Honda are successful on a global scale, while their products were tailored to the requirements of individual countries. In this article Matthias W Strobel argues that the key is not only to 'think global, act local', but also to 'share and network totally'.



Matthias W Strobel

An Apology

It is rather ironic to be writing an article about 'Think Globally, Act Locally' that may get published on internet sites and blogs also. In many respects, sending out a communication on the World Wide Web is the antithesis of thinking globally and acting locally. My very use of the word 'antithesis' in the above sentence is another case in point. It's hardly a word commonly used by most native English speakers; using it in an article which may reach a global audience could be considered daft. It's an example of trying to think globally but acting naively. How often does that happen in business, or in real life, and what can we do about it?

It's all about the Value Chain

Let's start again. Most websites receive hits from all over the world. Some of these are intentional, some are just passing traffic. For many internet users, English will be their second (or third) language. But every person who hits on our site is either a customer or a potential customer. The concept of a website to pass on knowledge and share

information is great. But the web's greatest asset, its global reach, can also be its greatest weakness. It is hard to tailor it to the individual needs of each customer. How can you make local and specific, something that is global and general? Customers need goods and services that speak to their own individual needs. This is evident from practical data that shows that Customers buying goods over the internet tend to shop more from sites in their native language than in English.

The Chicken Maharaja Mac

As mentioned at the beginning, the phrase 'Think

Global, Act Local' was first used in the context of environmental challenges. If you wanted to achieve change and improvement in this area, waiting for global legislation or global action to take place may seem like a very long process. The best course of action would be to drive the changes yourself within your sphere of influence. You could start to act immediately by reducing your own environmental impact, e.g. by consuming less energy or water. Acting locally starts to address what you see as a global issue.

But 'Think Global, Act Local' has taken on a much wider meaning and use in recent years. Most

companies and supply chains need to serve a worldwide customer base. Companies, especially those trying to run lean supply chains, want to keep their operations as simple and standardised as possible – that way they can drive efficiencies and economies of scale. But that misses a key principle of lean: looking at value from the

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customer's perspective. If they don't, they run the risk of having no Customers, no Brand and no Market. Customers tend to have very local and specific tastes and preferences. The supply chain needs to act locally to understand and meet those needs.

Even companies with big brands need to tailor themselves for specific markets. Coca-Cola in Mexico has a different formulation from that sold in the USA. McDonald's signature dish in India is the

Chicken Maharaja Mac rather than the beef based Big Mac popular in most other markets. Car

companies gain economies of scale by standardising on car platforms. Even vehicles of the same model can differ between markets. To gain market share in the US, Honda had one of its product champions spend weeks driving around the US in order to find out what real customers wanted, not what the design office thought they should. Softer suspensions, twin cup holders and other features related safety and comfort were some of the consequences, leading to significant increases in market share.

Product presentations also needed to differ between markets. In Europe, most pharmaceutical tablets are sold in blister packs that can be dispensed quickly and

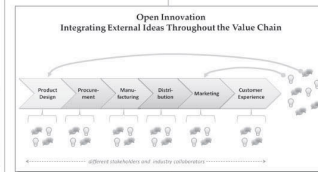
up the blister strip to a size that the patient can afford to purchase.

Big or small? It's the Customer who matters

The growth of big corporations, global supply chains and global brands may be seen by some as a backward step. Life is seen to be more bland, the products more standardised. A counter argument is that standards become higher and quality more consistent and reliable when dealing with global brands. But ultimately customer needs and requirements will determine what wins in the market place. The resurgence of micro-breweries is a good example of how local customer demand has pushed back against the dominance of the global beverage companies and their brands.

quickly and effectively if it is going to succeed and compete against other supply chains. In the information enabled world this knowledge can be shared rapidly, but human insight remains vital. Direct feedback from people on the ground remains the most valuable source. Supply chains run on information, yet more importantly they are run by people. People are genuinely the greatest asset because they are the greatest repository of knowledge and insight. The different agents in the supply chain have to collaborate and work together as a joined up network. Rather than fibre optic links and servers, people are the Network that needs to be nurtured in the value chain. People hold the key to the Network's future success.

is living with that growth and pace of change, and ensuring that offerings are current and meet customers' needs. You're living with that change in your countries and marketplaces. You are a best source of understanding of the real local requirements of our worldwide customers. You can help to act locally by providing feedback and sharing your knowledge with i.e. your supplier [i.e. us as KDS] or any other stakeholder about current trends and your future needs. You can enable us to tailor our offerings to meet differing local needs, so that we don't have a 'one-size-fits-all' approach, as well as to help us to identify global issues. Sharing knowledge and networking will be the foundations of future success for us all. 'Think Globally, Act Locally, but Share and Network. Totally' has to become a future mantra both for the supply chains and for any customer focused knowledge sharing initiatives.



Matthias W Strobel is CEO – Global Sales & Marketing at KDS Accessories. He joined KDS in August 2009. He has vast experience in building companies on a global scale and has led and executed various M&A activities and strategies on behalf of many big names within the PE industry in USA, China and Germany. His name was synonymous with SAP, AG and ALIS SPORTS GROUP, especially after he led SAP successfully through an MBO (management buyout) programme as its Global CEO. He stepped down after 8 years but remained commercial adviser EMEA for its new owners. Prior to SAP, Matthias was Senior Vice President Marketing for Wörler & Durian, Urbach Germany where he gathered his global experience in marketing & distribution management. He is married, has 2 children and lives in Winsey (Oxfordshire) in the United Kingdom.

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Building the network, sharing the knowledge. In all cases it is vital to understand customer needs. This information needs to be shared along the supply chain, passing local intelligence back into the global chain so that supply needs can be tailored to meet customer demand. The knowledge input can go into product design or into the real time supply chain according to fashion or seasonal demand. The supply chain has to respond

securly to patients. In the US, tablets still tend to be sold in large count bottles that pharmacies have to dispense to customers. US pharmacies tend to be located at the back of drugstores or supermarkets; during the time the tablets are being counted and dispensed, the customer will have longer time to spend in the rest of the store shopping. In some less developed economies, blister packs may still be used, but counted in smaller quantities. If not, the pharmacist may simply cut

In summary. There are direct parallels between the supply chain for goods and the value chain for the transfer of knowledge and learning. A successful value chain will pass learning along the chain to its customers, whilst receiving feedback and insights back up the chain. Everybody is somehow the customers of a 'Knowledge Centre' and key members of a Network. The body of world knowledge is growing exponentially. The challenge

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