

# Are We Prepared for a Global Economy?



For many years Americans have enjoyed the highest standard of living in the world...a way of life that we have often taken for granted. That is not to say that everyone is rich, but compared to people in many other countries of the world, we are.

One of the greatest reasons for our continuing economic growth has been the constant search by American entrepreneurs for a better way to provide goods and services to our population and to the people of the world. We recognize the role that entrepreneurs have demonstrated in moving from the production of buggy whips to the production of microchips. We value the results entrepreneurs have had in producing new products as well as creating the majority of the new jobs for themselves and new employees.

In a dynamic economy such as we find in the world today, companies will grow, others will decline, and all will have to seek new and better ways to compete. The law of supply and demand tells us that this competition is a good thing...it keeps prices down and eliminates those that are not operating efficiently. Efficiency might relate to upgrading equipment, improving a product, increasing worker productivity, keeping costs down so that prices can be competitive, or a number of other actions that lead to management efficiency.

Countries around the world are looking for ways to compete in the world economy as well. They, too, are looking for opportunities to keep jobs at home or attract foreign companies to do business there. They are glad to sell their products to Americans and compete with American products for price, quality or innovative features. This is the nature of a global economy.

So why is global competition largely a new issue? There is no one simple answer, but we suspect it is partly due to the recent advance of technology that has brought the world much closer together. Just think how long it took a boatload of products to move across oceans in the past, versus a planeload today. Imagine how refrigeration and freezing has improved our abilities to move food products long distances to remote locations. And more than anything, our communications and computer technologies have shortened the distance and time required for buying, selling, and distributing goods all over the world.



So why is this a problem? It is great that people everywhere can buy products and services that they need. Business owners all over the world are finding new markets....in the US and everywhere. There is a growing demand for workers in the countries where wages are the lowest...thus reducing the cost of production and the resulting market



price. And workers in these countries have more money to buy more products themselves.

Remember the law of supply and demand? The problem often comes from large companies finding they can reduce their costs by having routine work done in another county, state or another country. They have to find ways to compete with world market prices for their goods, and labor costs are often the highest part of any company's budget.

This is a difficult problem for workers who are not ready to move to other countries or to industries where jobs are more stable. American workers, especially, have grown to expect their job to pay very well and to always be there. We recommend that everyone consider William Bridges advice from *Job Shift...How to Prosper in a Workplace Without Jobs*, who in 1994 said:

“Today's BUSINESS organization is rapidly being transformed from a structure built on jobs to a field of work needing to be done”

Remember, too, that the customer is the final one who decides in the end that your job is “work needing to be done”.

Other valuable thoughts from this future-looking text include:

- “Your employability will depend on having the skills and attitudes that are needed in your industry.”
- “Employees must learn to think like an external vendor who has been hired to accomplish a specific task.”
- “You will need to live with high levels of uncertainty, bounce back quickly from disappointment, and find your own security.”
- “Learn to look at every potential work situation as a market ...people who are looking for products and services even though they have no jobs available.”
- “In the future you are going to get less mileage from a ‘career plan’ than out of a ‘business plan’ for your own personal enterprise.”