

Service sector in terms of changing environment

Influence of political globalization and global crisis on traditional marketing management theory and practice

Robert Vodopivec^{a*}

^a*University of Maribor; MEDIFAS: Mediterranean institute for advanced studies*

Abstract

Turbulent global environment create constantly changing economic conditions especially in global economic crisis which have deeply affected all world national economies. Managers were happy about the prospect, which have been achieved (the quantity and in the quality of industrial processes) in the past, but they haven't realised the new economic realities. The western global manufacturer's major corporate strategy shifts was due to globalisation processes and global crises, trying to find critical resource for global firms' competitive advantages. Many economists failed to anticipate the emergence decline of the western successful economies and the global crisis, so we focused on the changes which rapidly evolve and try to analyse the inadequacy and heterogeneity of commonly used marketing management analysis, on which bases should be made suggestions for the relying decisions of companies in the turbulent environment or they will rely only on the pragmatism.

© 2012 Published by Elsevier B.V. Selection and/or peer review under responsibility of the Faculty of Tourism and Hospitality

Key words: Crisis, Globalization, Marketing, Management Regional Economic integration, Social cohesion, Supply chain management, World Trade Organization

1. Introduction

The advancement of science has enabled the society that lives and develops material wealth. In the present days of economic uncertainty and global crisis the question on what to economise is never far

* Corresponding author.

E-mail address: vodopivec.robert@siol.net

away. (Taylor P. 2009a, Taylor P. et al. 2009b). This results established ways of thinking and action; seek novel ideas and solutions that can meet customer needs (Haki, M., & Forte, M. 2010). Fulfilling people needs cause a greater influence over the actions of individuals and groups. It may be thought, therefore, that we should look to the economists for advice on how to overcome the dangers and difficulties in which the modern world finds itself and how to achieve safe economic arrangements, to ensure that they can always find the best solution, the opinion which is strictly a verdict on the base of »maximization of profits« paradigm and it has to be conclusive in the sense that practical action can reasonably be based on it? (Ducker, P.F. 1984). Today's businesses, especially the large ones, simply will not survive in this period of rapid change and innovation unless they acquire entrepreneurial competence. (Ducker, P. F. 1985).

Organizational development implies change and improvement; it means doing new and more productive things that can sustain or enhance profit. (Kuratko, D. F. and Hodgetts, R. M. 1995). The system is regulated by competition (rivality) between many firms and the market bring the best possible results so, if we have the greater trading area, the market is stronger, this raise the level of rivalry and leads to the greater efficiency. So system strongly tends for specialization (division) of labour, free trade and have tendency to expend – to grow, these leads to the greater efficiency.¹ Capital have no »natural enemies«, it tend to accumulate and the long run consequences of this accumulation are in »forcing« people to take breath taking risks in many cases known to be extremely dangerous, and in other totally unpredictable. This tendency cause that companies work under pressure and willingness to take high »calculated« risks (Timmons, J.A (1989). It changes the both the quantity and in the quality of industrial processes and have globalised economy. Step by step this process has produced crisis, which has not been seen yet in the economic history and is entirely new situation; situation resulting not from human's failures but from »human's greatest successes«, economists call it »global crisis«.

2. Methodology

Studying national economies and economic system brings tendency to find simple explanations and show numerous exceptions. The growing specialization of scientific disciplines has only reinforced such an approach, put traditional boundaries between scientific disciplines and their fields. Specify a mathematical or economic model, which is based on a few variables and rely on statistical tests, constrained by available data, brings limited results. Also commonly used methodology with analysing hundreds of historical case studies is messy and not amenable to statistical analysis. Analysing complexity of the economic system, changes in complex fundamental processes, which have been occurred in long period of time, need a different research approach. Researchers realised that they should not be »narrow-minded« and have to cut across disciplines, examine more variables in order to understand how complex and evolving systems works thru time periods. This brings the need to supplement the pure scientific approach with other types of research work, more holistic approach. We have taken interdisciplinary constructionist approach where we combine globalization theories from a variety of fields with business system analysis and strategy development and apply a process-oriented understanding of globalization. This approach in the article was combined with some fundamental case studies, which are in detailed, explained in cited references. We seek to be comprehensive and integrate the most significant economic trends and doctrines, which influenced on the changes in economic system.

¹ A market economy is a system an elaborate mechanism for coordinating people, activities, and businesses through a system of prices and markets, without regulation by the state or computation. A market should be thought of as a mechanism by which buyers and sellers can determine prices and exchange goods and services. (Samuelson, P.A. and Nordhaus W. D. 1995)

3. Strategic planning and strategic marketing management

A market economy is a system regulated by competition (rivality) between many firms and the market brings the best possible results. The consumer in the market spreads his or her purchases around among different products and different services so that the added satisfaction from an additional spending brings equal satisfaction. This mechanism force companies to continuously raise the level of rivalry, so competition become more and more aggressive. Company starts to sell product by competing on the home market, which is formed by product X and competing products Y, W, Z. All companies which have customer oriented marketing strategies try to satisfy customer needs and the result is market share of each company on the home market. Competition force companies to eliminate internal weaknesses or inefficiencies which can be tolerated, for a time, to gain as efficiency as possible, but for a sustainable edge over its competitors is needed a corporate strategy, which prevent company from deterioration of a company's market position relative to that of its competitors. (Chen, R., Sun, C., Helms, M., & Kenny jih, W. (2008).

Many companies operate without formal plans, sometimes are managers too busy for planning and they have done well without formal planning, but they can argue that marketplace changes too fast. Formal planning is not the necessary condition for success, but you can yield many benefits for all types of companies. (Sengupta Sumantra, 2008). It encourage systematic thinking, forces the company to sharpen the objectives and policies, leads to better coordination of company efforts. It helps company to anticipate respond to respond quickly to environment changes. (Malcolm MacDonald 1989).

Absence of the corporate strategy and strategic planning will endanger the existence of the enterprise. (Chen, R., Sun, C., Helms, M., & Kennyjih, W. 2008), (Chen, D., Mocker, M., Preston, D. S., & Teubner, A. 2010). It will allow the company's profitability to be controlled by its competitors and efficiencies of the company depend just of the competitor's actions. Corporate strategy thus implies an attempt to alter a company's strength relative to that of its competitors in the most efficient way. (O'Hame K. 1982). The system will work only if company analyse and define clearly starting position and not »virtual starting position« (what want to be) if not the work is useless and misleading. A company have to gain an advantage over its competitor and attain it for a time in other cases could not expect successful business. Even more the company have to gain a "sustainable competitive advantage". (Porter M. E. 1985, 1998) describes how company gain an advantage. Concept of the value chain disaggregates a company into "activities," or processes that represent the basic elements of competitive advantage. By providing tools to understand the drivers of cost and a company's relative cost position (value chain to isolate the underlying sources of buyer value that will command a premium price) and the reasons why one product or service substitutes for another. He shows how competitive advantage lies not only in activities themselves but also in the way activities relate to each other, to supplier activities, and to customer activities. It provides the tools to strategically segment an industry and rigorously assess the competitive logic of diversification. (Porter M.E. 1985, 1998). Competitive advantage is a political simulation, a national strategy involving national policies, institutional adjustment and favourable business settings for development of business enterprises. The globalisation has created the notion of society-modalism, where some firms rely on characteristics of a nation except for one; jurisdiction on its territory. And ever increasing diversity of global phenomenon's are present, such as population dynamics (O. Kayasan, 2007).

Companies do business in the marketing environment, which consists of different forces outside company: microenvironment; suppliers, marketing channels companies, competitors, public and affect ability to developed and maintain successful transactions with customers and microenvironment; consists of the larger societal forces which affect the whole microenvironment; demographic, economic, natural, technological, political and cultural forces. (Kotler P.1996) The marketing environment offers

opportunities and threats depending on companies own strengths, weaknesses, which are defining for each company and shows how well can company can adapt to the external changes. Companies must observe the changing in environment and must adapt their strategies to environmental trends and developments. When target customers, change decisions and start to buy substitutes of company product, it's necessary to react quickly and adapt to the external changes. Using strategic planning that creates a framework to assess changes that can affect company, allows to create opportunity from continues changing in environment, depending on company's own strengths and weaknesses. The primary role of marketing management in any organization is to design and execute effective marketing programmes that will pay off. Companies can do this in their home market or they can do it in one or more international markets. Going international is an enormously expensive in terms of money, top management time and commitment. (Naisbitt, J. 1994),(Jansen, D. W 2006). Due to the high cost, of internationalisation they try to compete in the home market till they have a "sustainable competitive advantage", but if the company at home market is continuously losing relative position to that of its competitors or in other case wants to grow faster, than companies are »forced« going on the global market, to generate added value for the company.

4. Global economic environment

In the crisis business environment become turbulent and put pressure on organizations to effectively meet the fundamental changes that they accruing in social, political, technical, economic environment. We focused on the changes, which rapidly evolve. In global competition, according to (Levitt 1983), (Aaron, R., and J. V. Singh 2005), (Ghemawat, P. 2007), Youngdahl, W., R. Verma, and K. Ramaswamy 2008), technological change, social, political and economic developments have in recent decades, driven national markets in direction of a unique homogenized, unified global market in terms of consumer tastes and product preferences. For many years the globalization of markets, caused by the convergence of tastes across borders, was thought to result in very large multinational enterprises, which could use their advantages in scale economies to introduce world standardized products successfully. (Naisbitt, J. 1994) The result of this convergence will be global organizations producing globally standardized products in order to achieve world economies of scale. But globalisation roots can be traced back to many of the forces causing the internationalization of business activity. (Ghemawat, P. 2007). There are many excellent accounts of this process. International business can be traced back to many of the earliest civilizations but the roots of the globalization² really lie in the eighteenth, nineteenth and twentieth centuries. It is major technological, economic, social and political forces, some recent and others more distant, which have caused businesses to become global. All of these forces are linked to each other and are largely interdependent. (Dicken P.1992). The internationalization of markets has change the way that companies do business. The traditionally organizational structures and processes along the value chains on a worldwide scale in global turbulent environment do not have to stay the same, organizations have to continuously adapt on new conditions (Bogataj, M., Bogataj, L. and Vodopivec, R. 2004). In global competition supply chain management emerges as a process of integrating the existing business activities to reach the economies of scale and archive the low costs (and thus the low prices), needed to be competitive. (Vodopivec R. 2002a); (Vodopivec, R. 2002b). This dangerously changes the social, political, technical, economic environment. The society and companies have forgotten to focus on the changes, which rapidly evolve.

² The concept of globalisation was already known by Aleksander the Great, in our days just arise in new implemented form.

5. Technological origins of globalization

The technological aspect was very important in the industrial revolution in the late eighteenth century in the economic era of the Industrial Age and continuing into the nineteenth and twentieth centuries to the Information Age.³ (English, L. 1999). Development in transportation is the technological force without which globalization could not have taken place. The development of railway networks provided the means for moving goods and opened national markets to international products. Industrialization marked the beginning of the factory system and mass production of goods. It marked the beginning of a new pattern of geographical specialization. This development underlies the globalization of industries and the concentration of activities in certain locations but this has also been dependent upon other global forces. It is contributed to the development of mass markets and, ultimately, to global markets. As mass production forced prices down, the global attractiveness of certain products increased. (Dicken P.1992). Organizations that fail to recognize and manage information as a strategic business resource “fail”, because in global competition IT has unique impact on competitive climate. (Economist Intelligence Unit 2007), (Chen, D., Mocker, M., Preston, D. S., & Teubner, A. 2010). It is changing the nature of classic competition and adds a new dimension of competition - interrelatedness. Competitive and technological forces do not permit to any single organization to enjoy sustainable competitive advantages just from use of information technology, (Porter, M.E. 1985, 1998), (Chen, R., Sun, C., Helms, M., & Kenny jih, W. 2008), (Bagher, H., Gardesh, H., & Shadrokh, S. 2010), (Haki, M., & Forte, M. 2010), but they arise from the human, organizational and system innovations. IT has become inescapably intertwined with the operations of organizations, i.e. IT guarantees a breath-taking amount of power in reconfiguring the nature of work and the social conditions, which regulate production and coordination activities.

Developments in information and communications technology have had major impacts directly on the advance of globalization itself and on its underlying forces. Increasing world trade and globalization have also resulted from reducing barriers to international trade. Under the provisions of the World Trade Organization (WTO) and its predecessor, (GATT) the General Agreement on Tariffs and Trade) barriers to trade have fallen. In Eastern Europe the collapse of communism has opened up markets, which we are previously dosed to international trade. This increasing prevalence of market forces over government regulation has helped to reduce the political barriers to globalization. (Kashani, K. 1990), (Dicken P.1992).

6. Evolution of the role of the Marketing function before and after economic and political globalization

Marketing science has the foundation in microeconomic paradigm, with its emphasis on profit maximization (Anderson 1982), analysis for marketing management focused on demand (revenues), costs, profitability and the use of traditional economic analysis and maximized profit. The basic units of analysis were transactions in a competitive market and fully integrated companies s controlling virtually all of the factors of production (Arndt 1979). Market transactions connected the companies with its customers and with other company's s (Johnston and Lawrence 1988), because of this fact marketing

³ The Agricultural Age had a paradigm of "managed" land and crops with principles of cultivation - technology was cultivation tools. The Industrial Age paradigm was "managed" work with principles of mass production and specialized labour - technology was power and machines applied to work. The Information Age paradigm is one of "managed" information with principles of resource management and collaborative work.

research need behavioural science to structure problem definition, helping the market researcher to identify important variables and the relationships among them (Massy and Webster 1964)⁴.

The managerial approach to the study of marketing evolved in the 1950s and 1960s, as a decision-making or problem solving process and relied on analytical frameworks from economics, psychology, sociology, and statistics. Marketing management became a widely accepted business function, with an emphasis on product planning and development, pricing, promotion, and distribution. Marketing research gained prominence in management practice aligning the company's productive capabilities with the needs of the marketplace. The articulation of the marketing concept in the mid to late 1950s posited that marketing was the principal function of the companies (along with innovation) because the main purpose of any business was to create a satisfied customer (Drucker P.F. 1954); (Levitt 1960); (McCarthy 1960).⁵

Marketing management approach is strongly connected with organizational form of large, divisional, functional organizations. The large, bureaucratic, hierarchical organization, almost always a corporation in legal terms, was the engine of economic activity in this country for more than a century (Miles and Snow 1984). Multiple layers of management, functional specialization, integrated operations, and distinctions between line and staff responsibilities characterized it.⁶ Large, hierarchical, integrated corporate structures were the dominant organization form as the managerial approach to marketing developed in the 1950s and 1960s. Traditional paradigm of marketing management fit well in this analytical culture (Massy and Webster 1964). The main goals were to reach the economies of scale; to archive the low costs (and thus the low prices), needed to be competitive and preserving valuable assets - huge production facilities designed for maximum economies of scale in the manufacture of highly standardized products (Porter, M.E. 1985, 1998). The task of the marketing function was first to develop and understand the marketplace to ensure that the companies were producing goods and services required and desired by the consumer.⁷ Marketing as a management function tended to be centralized at the corporate level. Corporate centralization allowed the development of specialized expertise and afforded economies of scale in the purchase of marketing services such as market research, advertising, and sales promotion. This arrangement began to change in the late 1970s with the concept of the strategic business unit (SBU). Corporate management pushed operating decisions, profit and loss responsibility, out to the operating business units. Marketing became a more decentralized function in many large companies; the result was always heightened marketing effectiveness.⁸

During the 1980s, new forms of business organization became prominent features of the economic landscape (Massy and Webster 1964). Even before the forces of global competition became clearly visible, there was a trend toward more flexible, forms that are difficult to capture with a traditional organization chart (Powell 1990). The new organizations emphasized partnerships between companies, multiple types of ownership and partnering within the organization (divisions, wholly owned subsidiaries, licensees, franchisees, joint ventures, etc....)⁹ (Badaraeco 1991). Organizational forms are known as: "networks" (Miles and Snow 1986), "value-adding partnerships" (Johnston and Lawrence 1988), "alliances" (Ohmae 1989). All are characterized by flexibility, specialization, and an emphasis on relationship management instead of market transactions. The purpose of these new organization forms is

⁴ The application of formal, rigorous analytical techniques to marketing problems required specialists of various kinds. Marketing departments typically induced functional specialists in sales, advertising and promotion, distribution, marketing research, and perhaps managers of customer service, marketing personnel, and pricing. (Miles and Snow 1984).

⁵ Profit was not the objective; it was the reward for creating a satisfied customer.

⁶ It had a pyramid shape with a lot of employees at the bottom and few at the top.

⁷ With an optimal product mix

⁸ High administrative costs(salaries)force organizations to downsize

⁹ The best visual image of these organizations may be a wheel instead of a pyramid, where the spokes are "knowledge links" between a core organization at the hub and strategic partners around the rim.

to respond quickly and flexibly to accelerating change in technology, competition, and customer preferences¹⁰ (Thorelli 1986).

A set of functional specialties such as contract negotiation, legal services, and financial coordination that provide the linkages that bind together technology, shared values, and shared resources support the central leadership for establishing priorities and managing the linkages that define the network. Information management is a central strategic function. (Chen, D., Mockler, M., Preston, D. S., & Teubner, A. 2010). Information technology has been a key facilitator of the new organizational forms (Chen, R., Sun, C., Helms, M., & Kenny jih, W. 2008), (Bagher, H., Gardesh, H., & Shadrokh, S. 2010), (Haki, M., & Forte, M. 2010). It maintains the core competencies that are at the heart of the companies' ability to compete successfully in the global marketplace (Prahalad and Hamel 1990). The key core competencies of a network organization may be the ability to design, manage, and control strategic partnerships with customers, vendors, distributors, and others and become a primary tool in developing the companies' core competence and competitive advantage.

The intellectual core of marketing management needs to be expanded beyond the conceptual framework of microeconomics, shifts the focus of analysis from products and companies to people, organizations, and the social processes that bind actors together in on-going relationships. At SBU and operating levels the marketer become the integrator, both internally synthesizing technological capability with market needs and externally bringing the customer into the company as a participant in the development and adaptation of goods and services. It is a fundamental shift in the role and purpose of marketing: from manipulation of the customer to genuine customer involvement; to communicating and sharing knowledge; from last-in-line function to corporate-credibility champion. (McKenna 1991). New forms of organization for conducting business affairs in the global marketplace require re-conceptualization of the role of the marketing function within the organization. In the traditional view, the companies were a distinct entity whose borders were defined by an organization chart, which clearly delineated the boundary between the companies and the external environment. (Badaracco 1991) The external environment consisted of markets in which companies engaged in transactions with vendors for the resources needed to conduct their affairs and with customers who purchased their products and services. The fundamental difference is that this clear distinction between companies and markets, between the company and its external environment, has disappeared.

The process of globalization and later political globalization that consists of various institutionalizations of international political structures, which tries through decades support world trade and expand the markets, was inevitable. It was only the matter of time when will occur, depending of technological change, social, political and economic developments in recent decades. New markets and grow couldn't prevent the system from global crisis and dramatically change the way how enterprises gain competitive advantage, actually a "sustainable competitive advantage". Competitive advantage becomes a political simulation, a national strategy involving national policies, institutional adjustment and favourable business settings for development of business enterprises. The globalisation has created the notion of society-modalism, where some firms rely on characteristics of a nation except for one; jurisdiction on its territory.

7. Conclusion

Our purpose was to recognize how is possible to faster company's business development in a turbulent global environment in a manner that will most effectively advance the company's economic and social

¹⁰ They depend on administrative processes but they are not hierarchies.

well being. For this purpose we analyze traditional strategic management, marketing, business system theory and apply a process-oriented understanding of globalization, which helped as to recognize differences, which occur, during global business, environmental drastic changes and can be seen as different phases of business cycles. Globalization and global crisis, has change the structure of many national markets. Increasing world trade and globalization have resulted from reducing barriers to international trade. Under the provisions of the World Trade Organization (WTO) and its predecessor, (GATT) the General Agreement on Tariffs and Trade, barriers to trade have fallen. Different countries (and different industries) have been affected to differing extents by global trends and crisis. It might seem that companies are now thinking of a global market (unique, homogenized, unified global market). Global markets in some industries exist, they are already fully globalized, but for the other industries this is far from the truth. This facts influence on how companies do business in global market and affect marketing strategies an organization of marketing as a business function. The primary role of marketing management in any organization is to design and execute effective marketing programs that will be profitable. Companies can do this in their home market or they can compete in the global market. In fact due to the strong competition on their home market, they are forced to internationalization their business. Marketing management became (in the 1950s and 1960's) an accepted business function, with an emphasis on product planning and development, pricing, promotion, and distribution. Marketing research gained prominence in management practice aligning the companies' productive capabilities with the needs of the marketplace. This approach is connected with organizational form of large, bureaucratic, hierarchical, divisional, functional organization. The main goal was to reach the economies of scale of highly standardized products. Rapid advances in telecommunications; transportation, information processing and information technology allow more flexible form of organization. The business is increasingly likely to be a network of strategic partnerships among designers, technology providers, manufacturers, distributors, and information specialists. Organizational forms are known as: "networks", "value-adding partnerships", and "alliances". All are characterized by flexibility, specialization, and an emphasis on relationship management instead of market transactions. The purpose of these new organization forms is to respond quickly and flexibly to accelerating change in technology, competition, and customer preferences. In the traditional view, the companies were a distinct entity whose borders were defined by an organization chart. The external environment consisted of markets, in which company's engaged in transactions with vendors for the resources needed to conduct their affairs and with customers who purchased their products and services. The fundamental difference which occurred is that this clear distinction between (company and markets), between the company and its external environment, has disappeared, this force the organizations to change the core of the traditional marketing management business function. It needs to be expanded beyond the traditional conceptual framework, focused not only on analysis of products and companies, but also to people, organizations, and the social processes that bind actors together in on-going relationships. As grow of the company depends of the innovations and new products, this led as to the fact that is necessary to make an analytical and practical distinction between SMEs and LSEs strategic marketing management processes. Development policy and strategic marketing management must take these differences into account. Business policy has to follow maximum effectiveness paradigm and must include strategies specially adapted for SMEs, which are engine of modernization and growth. There are functional differences between the two (aside from mere size), which make the opportunities, and the problems of SMEs special. SMEs are characterized by commonly used pattern of ownership. The manager is personally owner of the company and usually handles production, marketing, sales, finance, purchases, personnel, and all other aspects of the business, with few assistants. As ownership is often identical with management, this gives SMEs, possibility to quickly react on the dynamic changes, which occur in the crisis. SMEs are characterized also by relatively little specialization in management and universal knowledge of top management. If the top manager is a good

one, he will be personally in touch with production workers, customers, suppliers and developed close personal contacts, what gives a quality of human relations and flexibility in daily operations for example: in meeting a customer's special requirements that may in some circumstances mean a competitive advantage over LSEs. SMEs have handicaps in obtaining capital and credits, especially in global crisis; can have difficulties in getting loans and credits from banks or other financing institutions, greater risks. This negative factor can SMEs overcome by »networking«, which allows SMEs retaining flexibility and »innovative climate« in the companies and provide effects of economics of scale. Crisis affected both and change the LSEs market entry and development strategy which trying to downsize operations, using entrepreneurial action-oriented approach and SMSs have start to coordinate different national marketing strategies to utilize economies of scale. LSEs and SMSs are learning of each other and their market entry and development strategies are converging. Organization forms, including strategic partnerships and networks, are replacing simple market-based transactions and traditional bureaucratic hierarchical organizations. The marketing function has focused on managing strategic partnerships and positioning the companies between vendors and customers in the value chain with the aim of delivering superior value to customers. Customer relationships will be seen as the key strategic resource of the business. Political globalization dramatically change the way how enterprises gain a "sustainable competitive advantage" and the field of marketing function. Competitive advantage becomes a political simulation, a national strategy involving national policies, institutional adjustment and favorable business settings for development of business enterprises. A new conception of marketing function become more interlinked and share also certain concepts of many other disciplines what makes marketing management an eclectic academic discipline.

References

- Aaron, R., and J. V. Singh (2005) "Getting Offshoring Right." *Harvard Business Review*, December.
- Abell D.F. (1980) *Defining the Business, The Starting Point of Strategic Planning*, Prentice Hall, Englewood Cliffs.
- Arndt J. (1979), Toward a Concept of Domesticated Markets. *Journal of Marketing*, 43 (Fall), 69-75.
- Anderson, Paul F. (1982), *Marketing, Strategic Planning and the Theory of the Firm*, *Journal of Marketing*, 46 (Spring), 15-26.
- Badaracco, J. L. (1991), *The Knowledge Link; How Firms compete Through Strategic Alliances*, Boston Harvard Business School Press.
- Bagher, H., Gardesh, H., & Shadrokh, S. (2010). "Validating ITIL maturity to strategic business-IT alignment", 2nd International Conference on Computer Technology and Development ICCTD 2010, 551-556.
- Bogataj, M. Bogataj, L. Vodopivec, and R.: (2004) Net present value of the global supply chain activities in the distance functions of Lowry-like models. V: BOGATAJ, Ludvik (ur.), CHIKAN, Attila (ur.), FAHRNI, Fritz (ur.), GELDOF, Bob (ur.), GRUBBSTRÖM, Robert W. (ur.), HENNET, Jean- Claude (ur.), HINTERHUBER, Hans H. (ur.), KINGSMAN, Brian G. (ur.), LUNDQUIST, Jenerik E. (ur.), O'BRIEN, Christopher (ur.), PECCATI, Lorenzo (ur.), RAICH, Margit (ur.), ROS MCDONNELL, Lorenzo B. (ur.), SCHNEEWEISS, Christophe A. (ur.), SILVER, Edward Allen (ur.), TABUCANON, Mario T. (ur.), TWOMINEN, Markku (ur.), WYBARK, Clay D. (ur.), WIJNGAARD, Jacob (ur.), ZAPFEL, Günter (ur.). *Pre-prints: thirteenth international working seminar on production economics: papers scheduled for Tuesday February 19 8.45am to 21.15pm in Kongresszentrum IGLS Innsbruck, Austria. Volume 1*. Innsbruck: Kongresszentrum IGLS, 2004, Str. 47-58, ilustr.
- Bogataj M., Bogataj L. and Vodopivec R. (2004) Stability of perishable goods in cold logistic chains. *International Journal of Production Economics*, pp. 345-356.

- Bogataj M., Vodopivec, R. (2003): Modelling the influence of human resources and investments in North Adriatic Ports Area over oligopoly position of these ports. V: *The international workshop on Harbour, maritime and multimodal logistics modelling & simulation: HMS 2003 September 18-20, 2003, Riga, Latvia*. Riga: DMS, Riga Technical University; Genoa: DIP, Università, cop2003, str. 40-45
- Chen, R., Sun, C., Helms, M., & Kenny jih, W. (2008). "Aligning information technology and business strategy with a dynamic capabilities perspective: A longitudinal study of a Taiwanese Semiconductor Company". *International Journal of Information Management*, 28 (5), 366-378
- Chen, D., Mocker, M., Preston, D. S., & Teubner, A. (2010). "Information Systems Strategy: Reconceptualization, Measurement, and Implications". 34 (2), 233-259.
- Drucker, P. F. (1954), *The Practice of Management*. New York: Harper & Row Publishers, Inc.
- Drucker, P. F. (1984): *Our Entrepreneurial Economy*, *Harvard Business Review*, and January-February 1984, pp.59-64.
- Drucker, P.F. (1985): *Innovation and Entrepreneurship*, London: Heinemann,
- Economist Intelligence Unit, (2007), "Country Report Russia - June ", The Economist Intelligence Unit Ltd., London.
- Economist, news magazine, London, several issues.
- Ghemawat, P. (2007.) "Managing Differences: The Central Challenge of Global Strategy." *Harvard Business Review*, March
- Haki, M., & Forte, M. (2010). "Proposal of a service oriented architecture governance model to serve as a practical framework for business-IT Alignment,". *New Trends in Information Science and Service Science*, NISS 2010, 4th International Conference, 410-417.
- Jansen, D. W (2006). *The New Economy and Beyond. Past, Present and Future*, Edward Elgar Publishing.
- Johnston, R. and Paul R. L. (1988), *Beyond Vertical Integration; the Rise of the Value-Adding, Partnership*, *Harvard Business Review*, 66 (July-August) 94-101.
- Kayasan, O. (2007) *Population Dynamics*, conference paper, Shanghai China
- Kashani, K. (1990) Why does global marketing work - or not work?, *European Management Journal*, 8(2), June.
- Kotler P. et al (1996) *Principles of Marketing*, Prentice Hall, London, Ny
- Kuratko, D.F. and Hodgetts, M. (1995): *Entrepreneurship*, Fort Worth, Dryden Press.
- Levitt, T. (1960) *Marketing Myopia*; *Harvard Business Review*, 38 (July-August), 24-47.
- Levitt, T. (1983) *The globalization of markets*, *Harvard Business Review*, May/June, 92-101.
- Massy, W.F. and Webster, F. E. (1964) *Model-Building in Marketing Research*, *Journal of Marketing Research*, I (May), 9-13.
- McCarthy, E. J. (1960) *Basic Marketing: A Managerial Approach*. Homewood, IL: Richard D. Irwin, Inc.
- McKenna, R. (1991) *Marketing Is Everything*, *Harvard Business Review*, 69 (January-February), 65-79.
- Malcolm Mac Donald (1989) *Ten barriers to marketing planning*, *Journal of Marketing Management*, 5, pp.1-18.
- McKieman, P. (1997) *Strategy past; strategy futures*, *Long Range Planning*, 30(5), October
- Ohmae K. (1989), *The Global Logic of Strategic Alliances*, *Harvard Business Review*, 67 (March-April), 143-154.

- Naisbitt, J. (1994) *The Global Paradox*, Nicholas Brealey Publishing, London
- Porter, M.E. (1985) *Competitive Advantage*; The Free Press, New York
- Porter, M.E. (1998) *The Competitive Advantage of nations*; Palgrave MacMillan Press, New York
- Powell, W. W. (1990), Neither Market Nor Hierarchy, *Network Forms of Organization*, *Research in Organizational Behaviour*, 12; 295-336.
- Prahalad, C. K. and Hamel G. (1990), *The Core Competence of the Corporation*; *Harvard Business Review*, 68 (May-June), 79-91.
- Ricardo, D. (1812), *On the Principles of Political Economy and Taxation*, London
- Samuelson, P.A. and Nordhaus W.D. (1995): *Economics*, Mc Graw Hill Inc., London, New York.
- Schumpeter J.A.(1954):*History of economic analysis*, Oxford University Press, Inc.
- Smith, A.(1904): *An Inquiry into the Welth of Nations*, London.
- Sengupa Sumantra, (2008), 'A Plan for Building New Supply Chain', *Supply Chain Management Review*, Jan-Feb 48-51
- Taylor, P. (2009a): European Commission Joint Research Centre, Institute for Reference Materials and Measurements, B-2440 Geel, Belgium
- Taylor, P. et al. (2009b): A programme for life-long learning in metrology in chemistry", *Accred. Quo/. Assur.* No 14, pp. 167 -173
- Timmons, J.A. (1989): *The Entrepreneurial Mind*, Andover, Brick House, p.1
- Thorelli, H. (1986) *Networks; Between Markets and Hierarchies*, *Strategic Management Journal*, 7; 37-51.
- Vodopivec, R. (2002a) *Economic integration and regional economic development in Northern Adriatic region*, in Cicin-Sain, B. (ed.), Pavlin, I. (ed.), Belfiore, S. (ed.), *Sustainable coastal management: a transatlantic and Euro-Mediterranean perspective*, NATO Science series, Earth and environmental sciences, vol. 12, No. 4. Boston, Dordrecht, London, Kluwer Academic Publishers, pp.161-172.
- Vodopivec R. (2002b) *The NAPAN project: globalisation and development of intermodal logistics in the North Adriatic region*. Financial times FT Business (London. ed.), October/November pp.12-13, London.
- Vodopivec, (R. 2002c) *Intermodal logistics and the regeneration of ports in the NAPAN project*, Inter- national conference network, 4. -7. June, London: World free zone convention, London.
- Youngdahl, W., R. Verma, and K. Ramaswamy.(2008.) "Exploring New Research Frontiers in Offshoring Knowledge and Service Processes," *Journal of Operations Management*, March