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***ENTREPRENEURSHIP
AND BUSINESS
MANAGEMENT IN THE
GLOBALISATION***

Today international organisations are competing in a world that can be called **borderless world**, particularly, after the continuous and rapid development in communications and transport and the launching of the internet and the virtual organisations and so on...

Hence, it is required an entrepreneurship from the managers of international organisations the understanding of the international environment, work requirements and the challenges that probably will be faced and knowing the given occasions that could be exploited and give feed back to the organisations.

The international business differs in their forms, values, and their methods of management.

The ethical challenge and the cultural diversity represent an essential problematic that faces international business especially the big and influential ones.

This requires the entrepreneurship of practical management that takes into account the exchange nature and the acute cultural diversity.

In this context we will deal with the followings :

First: the entrepreneurship and **globalisation and international business**

Second: the entrepreneurship and **the international business dimensions**

Third: the entrepreneurship and **the patterns of international business**

Fourth: the entrepreneurship and **The ethical problems and challenges in international business**

A/ **DEFINITIONS OF ENTREPRENEURSHIP**

The understanding we have of entrepreneurship owes much to the economist Joseph Schumpeter and the Austrian School. To Schumpeter (1950), an entrepreneur is someone who wants and is able to transform an idea or invention into a successful innovation. Entrepreneurship leads to a "creative destruction" across markets and sectors of the economy because of new products and business models arrive to replace the old. Thus, creative destruction is the source of industrial dynamism and growth long term.

To K. Knight (1967) and Peter Drucker (1970), entrepreneurship is about taking risks. The entrepreneur is a person who is willing to jeopardize his career and financial security to implement an idea, to put his time and capital in a risky business. Another definition of entrepreneurship describes the process of discovery, evaluation and exploitation of opportunities. Thus an entrepreneur can be defined as "someone who acts not according to the resources they currently control, but relentlessly pursues an opportunity" (Jeffrey Timmons). G. Pinchot (1985) introduced the term 'Intrapreneuring (transposed to "intrapreneurship" in French) to describe the entrepreneurial activities within a large organization.

For Howard Stevenson of Harvard University, entrepreneurship is "the pursuit of opportunity regardless of resources currently controlled." For Verstraete and Fayolle (2005) four paradigms used to define the field of entrepreneurship research: the creation of an organization (not reduced to the mere creation of business, the terms "organizational emergence" or "pulse of an organization "is more appropriate), detection-build-operate a business opportunity, value creation, innovation. These paradigms can be combined, rather than oppose. The first is the most characteristic of entrepreneurship, but can not think without the other three, it can incorporate. The paradigm of

innovation is more questionable, since some entrepreneurial phenomena are not innovative.

Characteristics of entrepreneurship

- There are a leader, the entrepreneur is the driving force behind the economic facts.
- In the spirit of the entrepreneur it is a vision that is better than the present state.
- Throughout the process partially also awaken intuition and insight that are rooted in experience, the entrepreneur develops a vision and a strategy to put into practice
- This vision is implemented quickly and with enthusiasm by the contractor. The work can provide the feeling of living full or the satisfaction of service to society.

B/Social entrepreneurship

Typically the contractor engages in gainful activities and becomes an entrepreneur. In recent decades a new class of entrepreneurs has emerged, and multiply, social entrepreneurs. They put into action initiatives that respond to needs that fall halfway between the area covered by the private and public sector. These include for example Muhammad Yunus, founder of the system of microcredit and the Grameen Bank, Florence Nightingale, pioneer of modern nursing, Maria Montessori has changed the approach to teaching, Jean Monnet, who launched the idea of the European Union.

C/ISSUES OF ENTREPRENEURSHIP

In particular, we chose three complementary approaches to our senses. The design of Shane and Venkataraman

The first concept is that of Shane and Venkataraman, that define entrepreneurship as "the process by which opportunities to create products and future services are discovered, evaluated and exploited. (2000).

The opportunity is in the sense of Casson (1982): situations where new products, services, materials and methods of organization are introduced and sold at a price above their cost of production. The example given by these authors is an individual able to discover resources dumped by owners bought it and combines them to sell products or services over-valued "by the buyers.

Also, we can agree that the opportunity is basically a profitable new information which an individual has access to two conditions. First, he has prior knowledge that are complementary to this information and

can reveal it, and secondly, it has certain properties for cognitive evaluation. The possession of such information raises a conjecture or an entrepreneurial vision: a project to exploit this opportunity. The design of the emerging organizational
The second concept is that of organizational emergence, that is to say, the process that led to the emergence of a new organization. It was founded by Gartner (1988, 1990, 1993) then developed and adopted by other authors (Aldrich, 1999, Thornton 1999, Sharma and Chrisman, 1999; Hernandez, 2001 among others).

In this approach, entrepreneurship is understood as a process of creating an organization that is to say activities for which the creator (the opportunity) mobilizes and combines resources (information, material, human, etc..) to realize the opportunity in a structured or an entity.

On this point, it is necessary to emphasize that the creation of an organization is not synonymous with creating an entity. As noted Verstraete (1997, 2003), organizational emergence refers to both the act of organizing and organized forms from the action project team structure, etc.. In this approach, the contractor is a strategist capable of developing an entrepreneurial vision (Filion, 1997) and a driver capable of driving change through entrepreneurial activities. The design of the individual dialogic / value creation Bruyat
The third view is that the dialogic individual / value creation Bruyat (1993) defines as a process of change where the individual is both actor in the creation of value which determines the terms and subject to value creation , which through its support (project, structure, etc..) invests even determined.

With a clear sense this approach, Fayolle (2004) defines entrepreneurship as the situation between concomitantly, an individual characterized by a strong personal commitment (time consumption, money, energy, etc..) And a project or organization emerging or organization "stabilized" entrepreneurial type. The value created refers to technical inputs, financial and personal generates driven organization and provide satisfaction to the contractor and stakeholders and interested. For the entrepreneur, there are financial and physical assets but also of autonomy, power or esteem from others.

For customers, it is the satisfaction provided by the Consumer Product and / or service.

For financiers, it is the profitability of the structure created and monetary gains and potential.

In our view, these three approaches are complementary, as none of them is not enough in itself to describe the entrepreneurial phenomenon. The approach by creating a business opportunity formalizes the stage for the emergence of the idea into an opportunity but having an overly objectivist of opportunity as much to discover. By contrast, the approach by creating an organization reintroduces the work order or structure that the real assumes any act of creation in the many forms that are organized business model, business plan, the prototype product and the entity created.

This approach focuses more on the assembly phase of the project and launch activities until the organization stabilizes. One limitation of this approach is to expand the entrepreneurial act any further action to organize. An approach that gap by creating value compensates by reintroducing an essential principle of entrepreneurship since Schumpeter, the degree of innovation or value created through the organization driven by the individual who is engaged in a dynamic change in personnel.

The situation is business as there is a concurrent dynamic between the individual and (s) supports the creation of value. Supports the creation of value can be regarded as forms of organized act of organizing. The actual creation of value does generally during the last stage: that of an entrepreneurial organization stabilized assessed by indicators of activity, performance and results. Ultimately, these three approaches can be reconciled into a workable definition that we formulate as follows:

Entrepreneurship is a dynamic creation and operation of a business opportunity by one or more individual (s) through the creation of creation of new organizations for value creation.

D/What skills to undertake?

we can identify the followings Entrepreneurial skills

- identify opportunities,
- develop an entrepreneurial vision,
- develop a business model,
- develop its business plan,
- giving an organization Managerial skills
- Leadership

- Communication
- management of men Technical skills
- marketing,
- sale,
- negotiation
- managing human resources,
- Financial Management ...

Repository entrepreneurial skills

Extract from the study by Christopher Praised and Mickaël Laviolette

"The entrepreneurial skills: defining and building a repository"

October 2006

The benchmark presented below was constructed by retaining the three categories of skills Chandler and Jansen (1992, 1993), also listed by Belley, Lorrain and Dussault (1998), entrepreneurial skills, managerial skills and functional skills. Concerning entrepreneurial skills, we have introduced a dynamic time in three stages: emergence of the idea, project development and launch activity.

Not only do these phases corresponds to the division usually adopted by those involved in entrepreneurship but it is consistent with the three concepts of entrepreneurship: creating a business opportunity (Shane and Venkataraman, 2000) by Contractor impulse to an organization (Gartner, 1995; Verstraete, 2003) from the perspective of creating value (Bruyat, 1993; Fayolle, 2004).

E/Entrepreneurial skills

Identify business opportunities: from idea to opportunity

- Imagine the potential products or services from unmet needs and future needs of existing markets or needs arising from the emergence of new techniques or technologies.
- Develop new products or services by analyzing their technical feasibility, commercial and financial (technical development of product / service, study expectations prospects, competitive analysis potential study of profitability)

Develop a business vision: the opportunity to draft

Designing the business model

- Formalize a system of supply based on the expectations of the prospect and other stakeholders (financiers, employees, suppliers, institutional partners, etc..)
- Set a delivery system in relation to existing and potential competitors

Developing your business plan

- Develop strategies for enterprise development
- Make the diagnosis means available and missing (financial, human, material, technical) in a formalized business plan
- Determine how actions are planned to address the differences

Setting up an organization: project structure

- Develop an organization bringing together the financial, human and material from the targets
- Allocate and coordinate resources obtained

Managerial skills

Leadership

- establish itself as leader
- Encourage the support and involvement of its employees and / or partners

Communicate

- Circulate information internally and externally by using the right media (emails, meetings, informal meetings, internal correspondence)
- Keep a clear and consistent against a person or group of persons

People management

- Plan the work of others based on the objectives of the business plan
- Delegating and empowering its employees
- Monitor and control the proper objectives
- Evaluate the results obtained in the form of a balance
- Reward effort and performance
- (Re) to mobilize, stimulate, motivate, encourage, support colleagues
- Resolve conflicts in team

Marketing and business skills

Marketing

- Identify target business by segmenting the market
- Conduct a market study to identify and better define the target and its expectations
- Define the business strategy by establishing the "four Ps" (Product, Price, Place, Promotion)
- Promote the company and its products with various targets identified using appropriate advertising media (press, internet, mail, e-mail, door to door ...)

Commercial

- Develop a sales pitch tailored to the client / prospect referred
- Prospecting using the appropriate means (telephone, fax, mail ...)

- Expand the sales pitch for raising awareness and negotiate the terms of the sale of the product or service
- Play the customer / prospect, identify their expectations to better meet its demand to adapt and / or enrich the offer
- Restart the client / prospect using appropriate techniques
- Building customer loyalty by making regular reminders and maintaining relations with it inside

Skills in Human Resource Management

Jobs

- Define a recruitment requirement in the strategic objectives of the business and skills needs
- Translate these recruitment needs in terms of business, activities and skills
- Choose the appropriate pools based on position power (institutional partners, recruitment, interim, schools, internet)
- Formalize upstream, a job interview in adapting his questioning to the vacancy and the job profile
- Conduct a job interview respecting the essential steps (reception, presentation of the company, the vacancy and the candidate, questioning each other and conclusion)

Administrative - Legal

- Know the regulations concerning employment contracts and various employment incentives
- Select the employment contract the best performance for the company (which are both means and objectives of the company)
- Write a contract of employment respecting the legal requirements and incorporating, where appropriate, specific clauses
- Set the employee's remuneration in terms of its business, pay scales corresponding to the market and means the company
- Know the legal requirements on tax-related pay (payroll, employer organizations collectors)
- Write a payslip

Management of jobs and skills

- Planning human resources function of the short and medium term business (strategic objectives needs jobs and skills, resources and assessment of gaps)
- Identifying development opportunities for the company according to the skills of each employee
- Assess and upgrade the skills of employees

- Develop the skills of employees based on business needs and their diverse aspirations
- Promote transfer of skills by encouraging inter-individual and teamwork

Financial management skills

Cash Management

- Anticipate and manage timely collection and disbursement to customers and suppliers
- Identify major items of cash sales, purchases, social agencies, taxes and miscellaneous charges, etc..
- Anticipate and manage cash flows: business, finance and investment in the form of a dashboard "cash" (EXCEL or other specialized software)
- Managing the level of cash due at the end of a period (positive or negative balance)

Financial Management

- Identifying / predicting the financial needs of the business in the short and long term investments and do change over time (eg taking into account the requirements of banks)
- Identify possible sources of funding for short and long term
- Articulate the temporal needs and resources and to evolve according to the development prospects of the company (cash flow statement)
- To project over time by developing a proactive approach to risk (financial and operational) and profitability by using forecasting tools (income estimate, financing plan, budget, etc..)
- Manage and anticipate the impact of tax and financial investment decision (recruitment, hiring / purchasing opportunities based legal frameworks ...)

Administrative - Legal

- Know and anticipate constraints and social opportunities and tax (URSAFF, taxes, taxes on wages, apprenticeship tax, VAT, tax ...)
- Establish an efficient management system, internal or external, to meet various deadlines for tax and social

Occupation: Entrepreneur

The Contractor is creative and autonomous. It has the full sense of responsibility. His ability to work in fashion and project management, dynamism, business and interpersonal skills enable him to create, manage and develop the activity of his choice (in France and abroad).

Qualities and Skills

- Creativity
- Curiosity
- Listen
- Force proposal
- Organization
- Rigor
- Analysis and Synthesis
- Work in project mode
- Management and Management
- Business Skills
- Communication

F/Missions

Participate:

- Development of draft business
- the creation of a new entity or business unit
- restructuring of leadership, service
- the establishment or reorganization of an entity ...

Entrepreneurship and Business management in the globalisation

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First: Entrepreneurship and globalisation and international business?

1-Globalisation:

The phase of economic situation in the world today represents what might be called the global economy that is interlocked by the international economic relations of production and processing of resources and marketing and competition and being in a global context rather than in a local one.

Today, the economy is influenced by the phenomenon of globalisation, which means increased vulnerability and overlap, and the relations between the various components of the global economy due to the increase in technological development, notably, in the field of communications and transportation. The emphasis here will be placed on the economic side of globalisation in spite of the existence of other phenomenon such as cultural and political globalisation. The world has turned into a global village, due to the tremendous development in communications, transport, the spread of knowledge and the internet.

The world economy provides opportunities for business organisations in the supply of resources or increased export opportunities and sales, but business organisations are also facing a competitive challenge in the context of the global economy.

Therefore, business organisations need to develop the concepts of international management that refers to business organisations management which have interests in more than one country. Organisations such as the department of Mc Donald's and Boeing and Microsoft are in fact in need for an international management where leading managers must have sufficient knowledge on international management and its requirements and take an active role both at the level of competition or the understanding and awareness of the challenges and cultural diversity. These managers are called global

managers, and have ample knowledge of the cultures of other people, and have a deep understanding of the cultural intersection between cultures and able to build an organisational culture that can absorb these cultures.

It should be noted here that there are a lot of business schools that provide the core disciplines of international business management.

2- Transition towards internationalisation and globalisation:

The stages of transition towards internationalisation and globalisation are developing in a multi and gradual context.

The organisation or domestic business are business organisations that are working and having all the resources and selling their products in just one country as in the example of all industrial enterprises , or small and medium financial firms that are operating in a particular country. But, the international business is those working and establishing a basis in one state, but supplied with a significant portion of revenues or a combination of them from other states.

Usually, this type of organisations have just one nationality, although they work in various places such as stores, as in the case of Canadian famous Sears where the main income comes from the USA with 90% and 10% from Canada.

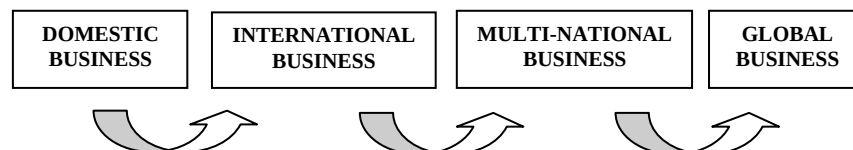
The multinational business is the business that has production processes and wide international marketing in more than one country where production facilities and marketing services are available.

In the context of ownership of these companies and their nationality, it may be found binominal organisations such as Shell, where the ownership and the control are assured by both countries the Dutch and the British. The organisation could be a multinational company and in this case, the number of countries share the ownership of such companies.

Finally, the global business is the business of transnational and is not linked to any country or nationality.

These stages can be illustrated as follows

The level of the international activities:



Stages of transition towards internationalisation

Second: Entrepreneurship and the international business dimensions?

The organisations working in international environments are facing challenges that were not familiar with the local environments.

Some of these challenges are economic, or political, or cultural or social or legal.

The vastness of the environment in which the organisations operate and what linked to this widening of many components and complexities as a result of the competition and legislation and the different policies of countries make the matter requires serious study and deep understanding of these aspects for the purpose of dealing with properly.

In this context three basic dimensions of the international business environment and their components should be explored as follows:

1-The Economic Dimension:

- Economic development.
- Resources and markets products.
- Average per capita income.
- Infrastructure.
- Conversion rate (exchange rate).
- Economic conditions.

2-The political legal dimension:

- Political risk
- Laws and restrictions
- The dominance of government(the risk of nationalisation)
- Fees and taxes and export quotas
- Terrorism and political instability

3-The cultural-social dimension:

- Social values and beliefs.
- Language.
- Religion.
- Public education and the level of illiteracy.
- Respect for time.

1-The Economic dimension :

The economic dimension is particularly important for business organisations when dealing with the international environment.

This dimension includes fundamental elements, we point out to some of them as follows:

a / Economic development :

Economic development varies from one country to another enormously as it could classify world countries as advanced countries to the less developed countries or the first or second or third world countries.

The basic criterion of this classification is the average per capita income, which means the income generated from the gross domestic product of goods and services in a certain country divided by the number of inhabitants .

The nations of Europe and America, Japan and Canada are advanced industrial countries and have an average income so high compared to other countries in Asia and Africa.

Therefore, companies operating in the international environment often set up their management headquarters in the major advanced industrial countries, but this does not prevent the investment of a lot of money in developing countries which show some signs of high development particularly in knowledge and communication

b/The infrastructures :

It is the physical infrastructure and service facilities in given state and which back economic activities and facilitate their works. The most important types are roads, airports, transport, energy production telecommunications networks, sewage , refrigeration air conditioning systems in buildings, elevators and infrastructure such as scientific institutes, universities, laboratories and research centers.

All of these elements help to attract international business and encourage companies to enter markets that are available to them.

c/The resources and markets :

When a business company enters a market in another country , it assesses the level of demand for the product or produced service , as well as examining the efficiency of the market in providing the production requirements of raw materials and workers , capital and land and management efficiency and others

d/The conversion rate (exchange rate) :

The conversion rate is the rate of conversion of the national currency of a country against currencies of other countries , since the change of daily exchange rate has a great impact on the profits or the losses for

companies operating in other countries . The term currency risk means the potential loss due to the fluctuation of exchange rates of currencies.

2-The political-legal dimension :

The attraction of international business depends largely on the nature of the existing political system in a given country and the degree of the governance stability.

These actions deal with different governments from those used to dealing with in her country. We refer here to the elements of these items as follows :

a/Political – risk and instability :

Political risk can be defined as the loss of assets or profits or administrative control by political events or acts from the government of the host state. Therefore, the international business companies often carry out the political risk analysis for the prediction of political events affecting investment and the work of these companies.

The clearest example is the political risk of nationalisation in which a state nationalises properties and transform global companies to national companies. Also, the acts of violence against the workers in these companies because of some political positions of the governments of host countries .There is another type of risk called political instability that includes events involving revolutions and riots against the host government and reflected negatively ,directly or indirectly on the work of international companies.

b/Laws and legislations:

States issued many laws and regulations that have a major impact on the work of international companies, such as laws on consumer protection and occupational safety and wages, trade unions, and packaging products, so the managers of these companies must know the laws and legislations of the state in which they invest .Perhaps the most important thing to know in this respect is the increase in the number of international conventions governing the work of major companies, trade and economic blocs and alliances, which we could refer to some of them.

1-European Union:

This important bloc was founded in 1958 to improve the economic and social conditions of the member states it was called European

Economic Community then it was changed to the European Union, where the number of its members now is more than 27 countries. Perhaps the most important event is to unite the European Currency. The member states and the so-called European parliament also play an active role in establishing economic and social policies.

2-North American Free Trade Agreement (NAFTA):

This bloc was founded in 1994 between the United States and Canada and Mexico; it covers markets of a population of 360 million people. its main objectives are to facilitate employment movement and goods and standardisation of investment policies and the expansion of employment opportunities in the three countries, Perhaps the most Important achievements of this bloc is the so-called Maquilladoras a large group of foreign factories that operate in Mexico and enjoy special privileges and its most important objectives are the employment of Mexican workers and the development of their skills and the reduction of the exodus of workers to the United States.

3-World Trade Organisation (WTO):

WTO is an important international institution emerged as a result of the progress and the work of the International Trade Organisation. The General Agreement on Trade and Tariffs preceded the World Trade Organization which bases its actions on a certain exemptions such as fees granted to some countries and called the most favored nations. There is also a protection mechanism protectionism, which provides protection for domestic industries from foreign competition. The most important this organization provides is the resolutions between states.

4- Association of South East Asian Nation (ASEAN):

This association includes ten countries from Southeast of Asia as well as Mercosur bloc, which includes more than 30 countries from the South and Central America. Her we will not forget the other organisations in our region, such as OPEC and the Gulf Cooperation Council and others.

Many questions and problems are raised before these blocs who it is hoped to play an important role at the level of business and international trade and achieve economic balance between the different regions of the world.

3-Socio-cultural dimension:

Socio cultural dimension plays a vital role in the success of international business as the understanding of the culture of other

people helps for the cohabitation with them and thereby to facilitate the execution of the work.

The culture of a given country means the knowledge and beliefs and values shared by the people as well as patterns of behavior and ways of thinking common among members of society.

And when the business enters to another country it may be unfamiliar to some workers that receive the so-called culture shock, which means the uncertainty and lack of satisfaction, which is generated when some employees because of their dealings with the new, unfamiliar culture.

In fact, business schools and universities devoted to the interdisciplinary study of the culture of other people with a focus on some of the cultures for the students who are eager to work in different cultural environments.

The most important elements of the social cultural dimension are as follows:

a/ Language:

Language may differ in the use and expression from a country to another, learning the language by the managers and employees is very important for the success of international business as it helps to explain the actions and discuss the transactions and the purchase of resources and others.

It should be noted that different cultures deal with different languages , There is the so-called **Low – Context Culture**, where the majority of communications written or oral, and the words are very precise and clear, therefore, The recipient have to read exactly and listen carefully to understand what the sender wants to say exactly.

The **High-Context Culture** in which the communication was largely by means of non-verbal or written , but would rely on body language and indications and suggest what is required to develop and build on the tacit understanding and previous relations between the parties that have evolved so as to make the parties understand each other and what they want.

b/ Interpersonal spaces:

This element involves two meanings **real and figurative**; the latter represents a silent language in the culture which separates the interlocutors .The use of language makes things clear and understandable in some cultures, while it needs a lot of explanation and interpretation in order to understand well.

The **real**, refers to the material side, as some cultures prefer privacy and the work in large and isolated offices and while there is some understandings in other cultures where there is sharing offices even in the highest level of management, as in the case of Japan.

c/Time Orientation:

This elements differs as cultures differ, some people respect dates and their accuracies and some do not.

The term **Monochronic culture** indicates a focus on individuals who tend to carrying out one work at a time.

The **Polychronic culture** means the culture of individuals who are used to accomplish several acts at a time Some managers at a meeting with a person or client are being subjected to many cuts during the interview for the completion of the work or the signing of papers or the response to a telephone, making the client frustrated or feel uncomfortable.

d/Religion:

It is very important to know the traditions and religious rites in the visited country by the managers where they work.

The impact of religion extends to all aspects of life of the individuals dressing and behaving they must take into account the commitment of the people and their religion and beliefs at work, they must also respect the holidays and times of prayers and other occasions.

e/Contracts and agreements:

The contracts are the commitments which must be respected, but in some countries and cultures such contracts are starting point and can be modified by agreement of both parties while other cultures can not accept any amendment and emphasize the full commitment of its terms . Also, some people respect given words and do not need written contracts.

4-Social values in different cultures:

Different cultures vary among peoples in their views and in their dealings with others who have valuable and different traditions and customs, as well as different views on some issues of basic human life which must the managers take into consideration when dealing with international business. In his research, the world famous Hofstede tried to examine a large number of workers at IBM in 40 different countries numbered 116,000 employees and workers, focusing on the social dimensions of the basic values of the cultures of these countries and these values are:

a/Power distribution:

This means the acceptance or rejection of members of the community and its institutions for the power distribution illegally in the society and its institutions.

b/Uncertainty avoidance:

To what extent the individuals, organisations, and society are refusing or accepting the risk and uncertainty and change.

c/individualism and collectivism:

The degree of confirmation of the society on individual achievement and self- interest versus collective achievement and the interest of the group.

d/ the time orientation:

To what extent the focus of the community and individuals and organisations are concerned with the future tendency in the court and long term.

Third: Entrepreneurship and the patterns of international business?

The ways of establishing the international business and market access to other countries vary as there are different strategies and mechanisms of risk and the extent of interest in the international market.

These strategies could be summarized in two groups:

1- market entry strategies :

In the framework of this type of strategies it could be found international business that is supplied with raw materials and input requirements and services from around the world. This strategy is called **the global sourcing** and companies take advantages of this method through the international division of labor , where they could get the products and raw materials with low cost and high quality because the provider is specialized in the production of these materials . The second type of strategies is the **Exporting and Importing**. Exporting is the sale of local products in the markets of other countries.

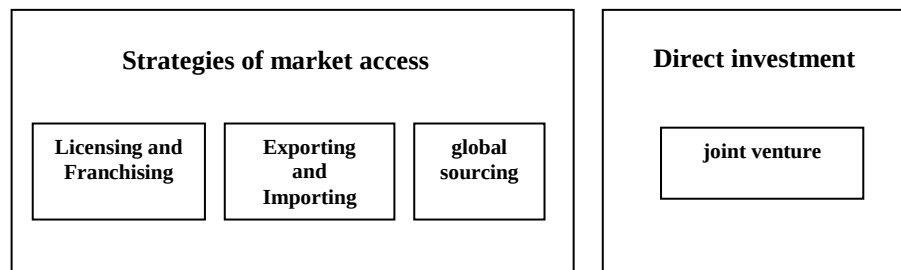
Importing is to buy foreign products and sell them in local markets. Finally, there is another strategy called **Licensing and Franchising**. The licensing is a convention whereby the licensed company gets the rights to manufacture and sell products of another company in a specific area against agreed fees and allowed the use of technology, and trademark.

The Franchising is a version of the licensing under which the company buys the rights of using the trade name and methods of working at home.

2- direct investment strategies :

This pattern is a means of direct international business where huge sums of money are invested in the establishment of international business. Usually the start is by launching **joint venture** of projects intended to direct investment on the basis of common ownership and sharing of the risks and costs and resources with agreed percentages between a foreign company and a local one and it is of strategic alliances to facilitate access to markets that are difficult to enter individually. However the other is an independent branch of the companies which is named the **Subsidiary** where the company branch is in a completely independent foreign market and is owned entirely by the mother company.

The following format illustrates the above ideas.



Patterns of international business

Fourth: Entrepreneurship and The ethical problems and challenges in international business?

There are a lot of problems and challenges which face the international business associated with some of the different views and expectations of the host countries and the international department of these companies and others are tied to a wide range of ethical criticisms directed to the business and international companies.

1-Difference of views between the international business and the host state:

The benefits of the host country are as follows:

- Taxes entries could be a result of these new operations.
- New employment opportunities can solve the unemployment crisis.
- The establishment of new industries.

- The development and the use of local resources.

But at the same time, many host countries present many of the criticisms to the international business including

- The complaint of a large drain on resources.
- Conversion of a high percentage of profits to the home country.
- Government interference on internal affairs.
- Failure to respect the customs and traditions and laws.
- Lack of development of local companies.
- The attraction of qualified local brains.
- No transfer of the very advanced technology.

In the same tendency, the mother state that the international action belongs to, raises questions and problems in front of their companies operating in other countries, these problems are.

- The transfer of jobs to other countries.
- The withdrawal of part of the capital to foreign places.
- The loss of some of the secrets and technological knowledge.
- Exposure of the reputation of the mother state in danger because of some wrong potential practices.

2-Ethical issues:

- Administrative corruptions.
- Sweatshops.
- Child labour.
- Pollution and environment exploitation.

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