

LEARNING OBJECTIVE 11.1 Assess the impact of physical infrastructure on international business opportunities.

Physical infrastructure takes the form of raw materials, manufacturing, transportation, and energy. Changes in the availability of raw materials, the emergence of new manufacturing equipment and techniques, larger transportation networks, and more plentiful energy resources are changing the global competitive landscape. Ignoring any component of the physical infrastructure can expose a company to problems that will make it unable to complete its objectives.

Physical infrastructure:

- Access to raw materials
 - Half the world's lithium supply is in Bolivia and Chile (EV)
- Manufacturing capabilities
 - US world largest oil producer eclipsing the Saudi's and Russians
- Transportation networks
- Energy resources

LEARNING OBJECTIVE 11.2 Identify the way information infrastructure creates business opportunities.

Access to abundant information has opened markets for new services such as **cloud-based storage** and the **shared economy**, and has made many transactions more efficient in industries from agriculture to e-commerce. Improvements in **data storage** and **processing technologies** can shape business opportunities by changing how and where companies host their data. This in turn enables new ranges of products, such as car sharing and peer-to-peer loans, and the rise of online brokers like Taobao.

- **A shared economy**, also called collaborative consumption or the peer economy, is a system in which owners rent to strangers something they are not using, such as a room, a car, or even a service, using peer-to-peer services

LEARNING OBJECTIVE 11.3 Describe the effect of human capital on opportunities in a global business.

The abilities, skills, experience, and knowledge possessed by individuals is called human capital. Level of education has a strong, positive correlation with economic prosperity, meaning that companies that enrich human capital are enriched by it in return. Managers assess the value of human capital in a country by considering the country's educational infrastructure, the company's global corporate training and development,

and the level of collaboration between companies, educational institutions, and governments.

- **Human capital** is the abilities, skills, experience, and knowledge possessed by individuals.
- A **business incubator** is a company that helps found and grow new businesses.

LEARNING OBJECTIVE 11.4 Discuss how global business leaders position their firms to take advantage of technological opportunities.

Technology trends can change opportunities in international markets. Increased spending on R&D in both developed and emerging markets is changing international business. Many organizations are expanding their R&D centers to emerging markets, many in Asia, because of the need to be close to the world's largest and fastest growing markets

- R&D moving to emerging countries like India