



TREND BISNIS & PASAR DUNIA

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One thing you can learn from the chapter-opening Getting to Know feature is that success in business is based on constantly adapting to the market. A **business** is any activity that seeks to provide goods and services to others while operating at a profit. To earn that profit, you provide desired goods, jobs, and services to people in the area. **Goods** are *tangible* products such as computers, food, clothing, cars, and appliances. **Services** are *intangible* products (i.e., products that can't be held in your hand) such as education, health care, insurance, recreation, and travel and tourism.¹ Once you have developed the right goods and services, based on consumer wants and needs, you need to reach those consumers using whatever media they prefer, including blogs, tweets, Facebook, TV advertising, and more.²

business

Any activity that seeks to provide goods and services to others while operating at a profit.

goods

Tangible products such as computers, food, clothing, cars, and appliances.

services

Intangible products (i.e., products that can't be held in your hand) such as education, health care, insurance, recreation, and travel and tourism.

entrepreneur

A person who risks time and money to start and manage a business.

revenue

The total amount of money a business takes in during a given period by selling goods and services.

profit

The amount of money a business earns above and beyond what it spends for salaries and other expenses.

loss

When a business's expenses are more than its revenues.

Matching Risk with Profit

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Risk is the chance an entrepreneur takes of losing time and money on a business that may not prove profitable. Profit, remember, is the amount of money a business earns *above and beyond* what it pays out for salaries and other expenses. For example, if you were to start a business selling hot dogs from a cart in the summer, you would have to pay for the cart rental. You would also have to pay for the hot dogs and other materials, and for someone to run the cart while you were away. After you paid your employee and yourself, paid for the food and materials you used, paid the rent on the cart, and paid your taxes, any money left over would be profit.

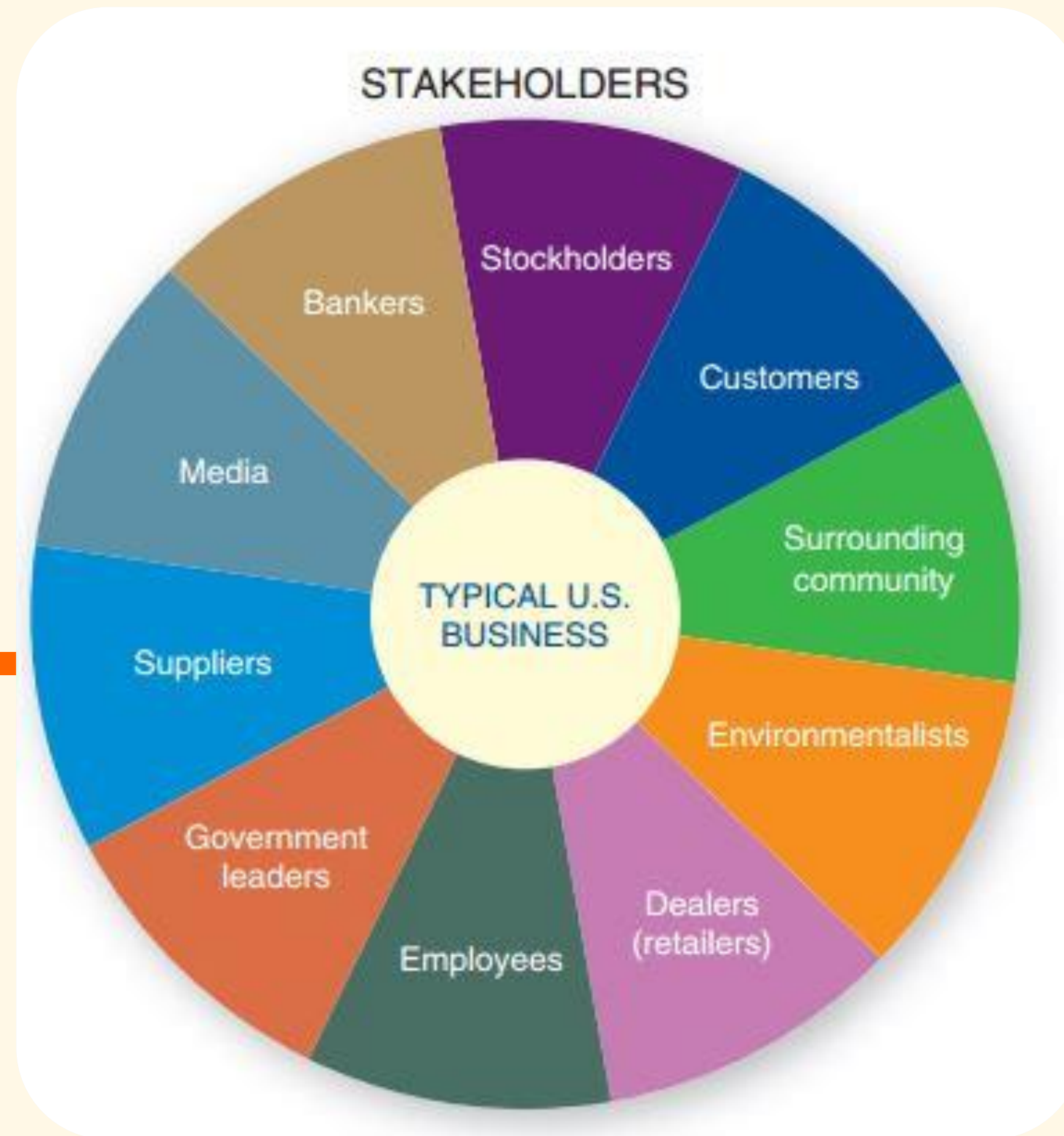
Entrepreneurs such as Sam Walton (Walmart) and Bill Gates (Microsoft) not only became wealthy themselves; they also provided employment for many other people. Walmart is currently the nation's largest private employer.

The term **standard of living** refers to the amount of goods and services people can buy with the money they have. For example, the United States has one of the highest standards of living in the world, even though workers in some other countries, such as Germany and Japan, may on average make more money per

hour. How can that be? Prices for goods and services in Germany and Japan are higher than in the United States, so a person in those countries can buy less than what a person in the United States can buy with the same amount of money. For example, a bottle of beer may cost \$7 in Japan and \$3 in the United States.

The term **quality of life** refers to the general well-being of a society in terms of its political freedom, natural environment, education, health care, safety, amount of leisure, and rewards that add to the satisfaction and joy that other goods and services provide. Maintaining a high quality of life requires the combined efforts of businesses, nonprofit organizations, and government agencies. Remember, there is more to quality of life than simply making money.

Stakeholders are all the people who stand to gain or lose by the policies and activities of a business and whose concerns the business needs to address. They include customers, employees, stockholders, suppliers, dealers (retailers), bankers, people in the surrounding community, the media, environmentalists, competitors, unions, critics, and elected government leaders (see Figure 1.1).⁹



Despite their efforts to satisfy their stakeholders, businesses cannot do everything needed to make a community all it can be. Nonprofit organizations—such as public schools, civic associations, charities like the United Way and the Salvation Army, and groups devoted to social causes—also make a major contribution to the welfare of society. A **nonprofit organization** is an organization whose goals do not include making a personal profit for its owners or organizers. Nonprofit organizations often do strive for financial gains, but they use them to meet their social or educational goals rather than for personal profit.

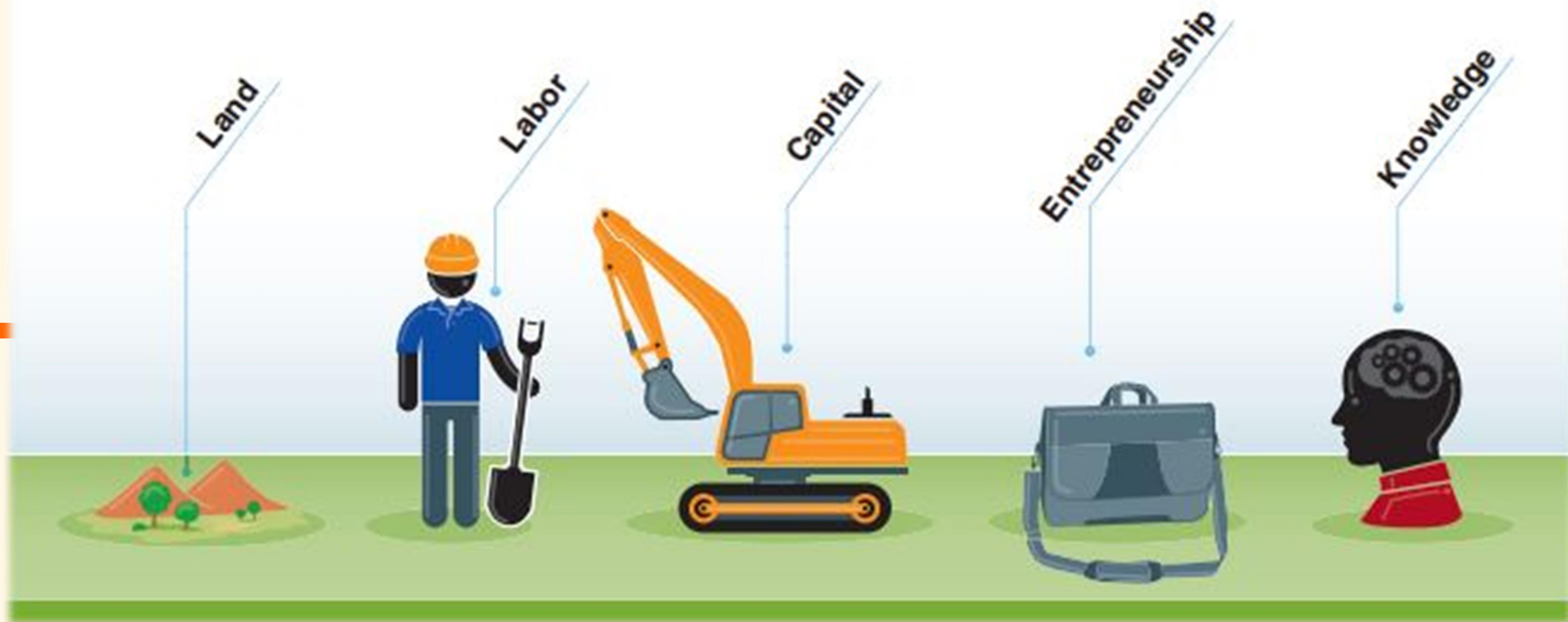
Source: Bloch

They use the money to meet their social or educational goals rather than for personal profit. Nonprofit organizations often do strive for financial gains, but they use them to meet their social or educational goals rather than for personal profit.

years. They began by identifying five **factors of production** that seemed to contribute to wealth (see Figure 1.2):

1. *Land* (or natural resources). Land and other natural resources are used to make homes, cars, and other products.
2. *Labor* (workers). People have always been an important resource in producing goods and services, but many people are now being replaced by technology.
3. *Capital*. (This includes machines, tools, buildings, or whatever else is used in the production of goods. It may not include money; money is used to buy factors of production but is not always considered a factor by itself.)
4. *Entrepreneurship*. All the resources in the world have little value unless entrepreneurs are willing to take the risk of starting businesses to use those resources.
5. *Knowledge*. Information technology has revolutionized business, making it possible to quickly determine wants and needs and to respond with desired goods and services.

FIGURE 1.2 THE FIVE FACTORS OF PRODUCTION



The **business environment** consists of the surrounding factors that either help or hinder the development of businesses. Figure 1.3 shows the five elements in the business environment:

1. The economic and legal environment.
2. The technological environment.
3. The competitive environment.
4. The social environment.
5. The global business environment.

FIGURE 1.3 TODAY'S
DYNAMIC BUSINESS
ENVIRONMENT





Starting a business is more difficult in some countries than in others. In India, for example, it takes a time-consuming and bureaucratic process to obtain government permission. Nonetheless, new businesses can become a major source of wealth and employment. This sari shop is one small example. What do you think would be the effect of a little more freedom to create business opportunities in this country of over a billion people?

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business opportunities

Since prehistoric times, humans have felt the need to create tools that make work easier. Few technological changes have had a more comprehensive and lasting impact on businesses, however, than the emergence of information technology (IT): computers, networks, smartphones, and the Internet. Read the nearby Reaching Beyond Our Borders box to learn more about how technology makes it possible for freelance employees to find good, lucrative work even though they don't even need to live in the same country as their employers.

Smartphones and other mobile devices, as well as social media like Facebook and Twitter, have completely changed the way people communicate with one another. Advertisers and other businesspeople have created ways of using these tools to reach their suppliers and customers. Even politicians have harnessed the power of the Internet to advance their causes. IT is such a major force in business today that we discuss its impact on businesses throughout the entire text.

How Technology Benefits Workers and You One of the advantages of working for others is that the company often provides the tools and technology to make your job more productive. **Technology** means everything from phones and copiers to computers, mobile devices, medical imaging machines, and the various software programs and apps that make business processes more effective, efficient, and productive. *Effectiveness* means producing the desired result. *Efficiency* means producing goods and services using the least amount of resources.

Productivity is the amount of output you generate given the amount of input, such as the number of hours you work. The more you can produce in any given period, the more money you are worth to companies. The problem with productivity today is that workers are so productive that fewer are needed, and that is contributing to the high unemployment rate we are now experiencing.²⁴

The Growth of E-Commerce E-commerce is the buying and selling of goods online. There are two major types of e-commerce transactions: business-to-consumer (B2C) and business-to-business (B2B). As important as the Internet has been to retailers like Amazon in the consumer market, it has become even more important in the B2B market, where businesses sell goods and services to one another, such as IBM selling consulting services to a local bank. Websites have become the new stores.

Traditional businesses must deal with the competition from B2B and B2C firms, and vice versa. Many new parents would just as soon buy used items posted on Craigslist than shop in a baby-goods store. Starting a business on eBay has never been easier. E-commerce has become so important that we will discuss it throughout the text.

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Competition among businesses has never been greater. Some have found a competitive edge by focusing on *quality*. The goal for many companies is zero defects—no mistakes in making the product. However, even achieving a rate of zero defects isn't enough to stay competitive in world markets. Companies now have to offer both high-quality products and good value—that is, outstanding service at competitive prices.

adapting to **change**

Gourmet Airport Eateries Take Flight

Although the poor quality of airline food has been an easy punch line for decades, often the food served inside the airport itself isn't much better. That's because airport restaurants are especially difficult to operate on account of a number of security regulations. For example, open-flame grills aren't allowed, and kitchen knives must be tethered to a counter. On top of that, cooking spaces are typically tiny and the time-crunched clientele demands speedy service.

But airport diners are more than just cranky people in a hurry: they also tend to be more affluent than average consumers. As a result, more gourmet restaurants are setting up shop in airports in order to cash in on vacationing diners. For instance,



chief executive of Boston Legal Sea Foods Roger Berkowitz opened a location at Logan International Airport once he learned people were willing to spend more while traveling.

After stocking the bar with pricey wines, he edited the menu down to a few simple favorites like crab cakes and tuna burgers. He also tweaked his recipes so that all fish fillets would be griddled rather than grilled. Not only does the restaurant earn a lot of money for Berkowitz, but the airport also gets to show off a bit of local flavor to passing travelers. However, Berkowitz has one piece of advice about operating an airport eatery that many air carriers won't appreciate: "You want to be near airlines with more delays and cancellations."

Sources: Scott McCartney, "The Best Airport Food in the U.S. and Beyond," *The Wall Street Journal*, January 15, 2014; and Will Yakowicz, "Comfort Food: The Best U.S. Airport Restaurants," *Inc.*, January 16, 2014.

No nation, not even a technologically advanced one, can produce all the products its people want and need. Even if a country did become self-sufficient, other nations would seek to trade with it to meet the needs of their own people. Some nations, like Venezuela and Russia, have an abundance of natural resources but limited technological know-how. Other countries, such as Japan and Switzerland, have sophisticated technology but few natural resources. Global trade enables a nation to produce what it is most capable of producing and buy what it needs from others in a mutually beneficial exchange relationship. This happens through the process called free trade.⁸

Free trade is the movement of goods and services among nations without political or economic barriers. It has become a hotly debated concept.⁹ In fact, many in the United States take the position “fair trade, not free trade.”¹⁰ Figure 3.2 offers some of the pros and cons of free trade.

Students attending colleges and universities abroad often notice that some products widely available in their countries are unavailable or more expensive elsewhere. By working with producers in their native country, finding some start-up financing, and putting in long hours of hard work, many have become major importers while still in school.

Howard Schultz, CEO of Starbucks, found his opportunity while traveling in Milan, Italy. Schultz was enthralled with the ambience, the aroma, and especially the sense of community in the Italian neighborhood coffee and espresso bars that stretched across the country. He felt such gathering places would be great in the United States. Schultz bought the original Starbucks coffee shop in Seattle and transformed it according to his vision.¹⁵ Because the Italian coffee bars caught his attention, U.S. coffee lovers now know what a grande latte is.

Who would think U.S. firms could sell beer in Germany, home of so many good beers? Well, some of Munich's most famous beer halls now have American outposts where you can buy U.S. beers like Samuel Adams Boston Lager.¹⁶ If this surprises you, imagine selling sand in the Middle East. Meridan Group exports a special kind of sand used in swimming pool filters that sells well there.

FIGURE 3.3 THE LARGEST EXPORTING NATIONS IN THE WORLD AND THE LARGEST U.S. TRADE PARTNERS



reaching beyond our borders

McDonald's: Over 100 Cultures Served

For decades McDonald's has been the undisputed king of global food franchising. With more than 34,000 restaurants in over 118 countries, Mickey D's serves more than 69 million customers every day.

So how did McDonald's become such a global powerhouse? It certainly didn't get there through hamburgers alone. Since it first began expanding overseas, McDonald's has been careful to include regional tastes on its menus along with the usual Big Mac and French fries. For instance, in Thailand patrons can order the Samurai Burger, a pork-patty sandwich marinated in teriyaki sauce and topped with mayonnaise and a pickle. If fish is more your taste, try the Ebi Filet-o shrimp sandwich from Japan.

McDonald's is also careful to adapt its menus to local customs and culture. In Israel, all meat served in the chain's restaurants is 100 percent kosher beef. The company also closes many of its restaurants on the Sabbath and religious holidays. McDonald's pays respect



to religious sentiments in India as well by not including any beef or pork on its menu. For more examples, go to www.mcdonalds.com and explore the various McDonald's international franchises websites. Notice how the company blends the culture of each country into the restaurant's image.

McDonald's main global market concern as of late has been Asia. So far McDonald's strategy seems to be working. In Shanghai the company's Hamburger University attracts top-level college graduates to be trained for management positions. Only about eight out of every 1,000 applicants makes it into the

program, an acceptance rate even lower than Harvard's! McDonald's is reaching out further in Asia and in 2014 opened its first store in Vietnam. The Vietnamese location in Ho Chi Minh City is the country's very first drive-thru restaurant. Bringing McDonald's to Vietnam is a dream come true for Henry Nguyen, founder of Good Day Hospitality, who has been wanting to introduce the brand to Vietnam for

over a decade. Nguyen brought in 20 top McDonald's employees from Australia to help aid in the opening while also sending prospective Vietnamese employees to Queensland to learn the ropes in a real-life restaurant setting. In the end, one can only hope that McDonald's remains dedicated to quality as it continues adapting and expanding into the global market.

Sources: Erin Smith, "Some McSkills to Share," *The Warwick Daily News*, February 4, 2014; Kate Taylor, "New Year, New Expansion: McDonald's to Open First Restaurant in Vietnam," *Entrepreneur*, December 23, 2013; Vivian Giang, "McDonald's Hamburger University: Step inside the Most Exclusive School in the World," *Business Insider*, April 7, 2012; and McDonald's, www.mcdonalds.com, accessed February 2014.

1. Informasi penting hari ini
2. Manfaat penting dari informasi penting hari ini
3. Tindak lanjut yang dapat saudara lakukan

Thank You!

Any Questions?