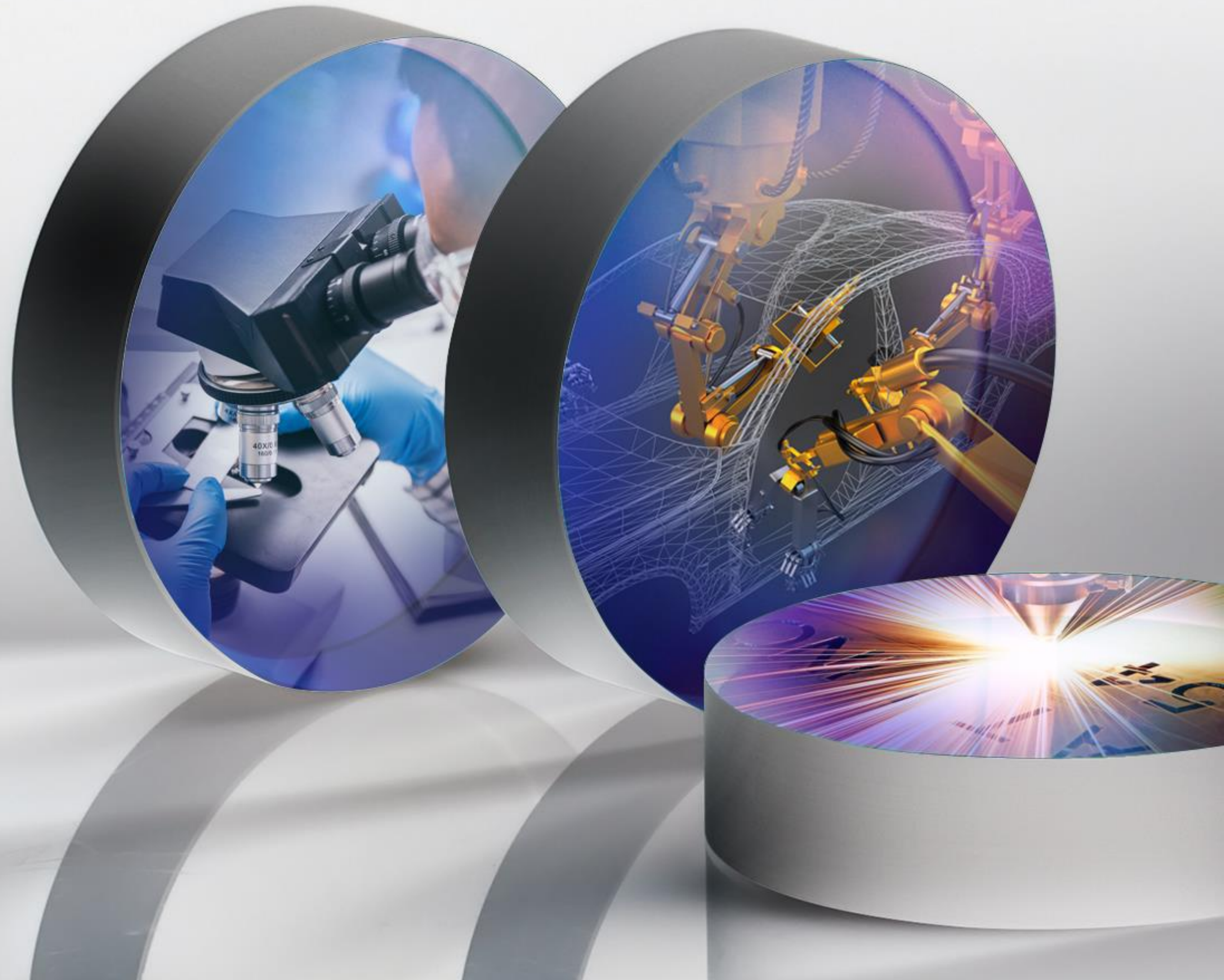


Be as Global as Possible, but as Local as Needed....

How changes in geo-politics,
culture and society impact our
business behavior

Presented by
Agnes Hübscher



CONTENT

- Think Global - Act Local: where it all started
- The world is changing
- Today's risks
- Cultural differences
- Examples: Edmund Optics
- Lessons Learned

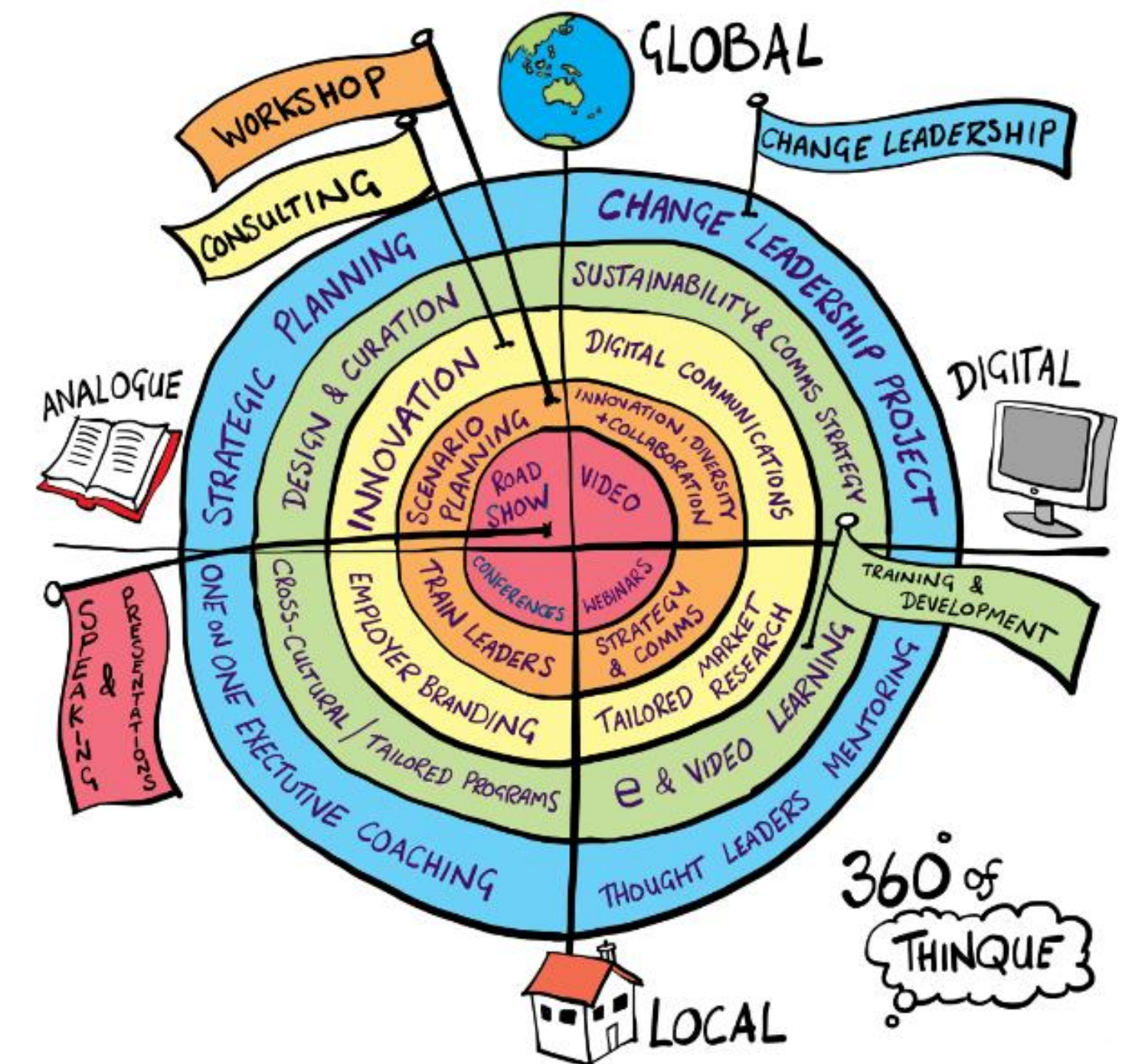


“THINK GLOBAL, ACT LOCAL” - ORIGIN

...importance of global reach and standardization of products, processes, etc. reaching a broad audience, while addressing the need to adapt to local cultures, preferences, regulations to ensure relevance and success in region.

- First used >100 years ago by a Scottish town planner
- First official adaption to business by Coca-Cola as part of their strategy
- Changed how companies thought about operational control, messaging and standardization
- Today standard for large global brands and companies
- Impact on supply chains, sustainability approaches, technology developments, political and cultural aspects as well as communication

➔ Is it still valid?



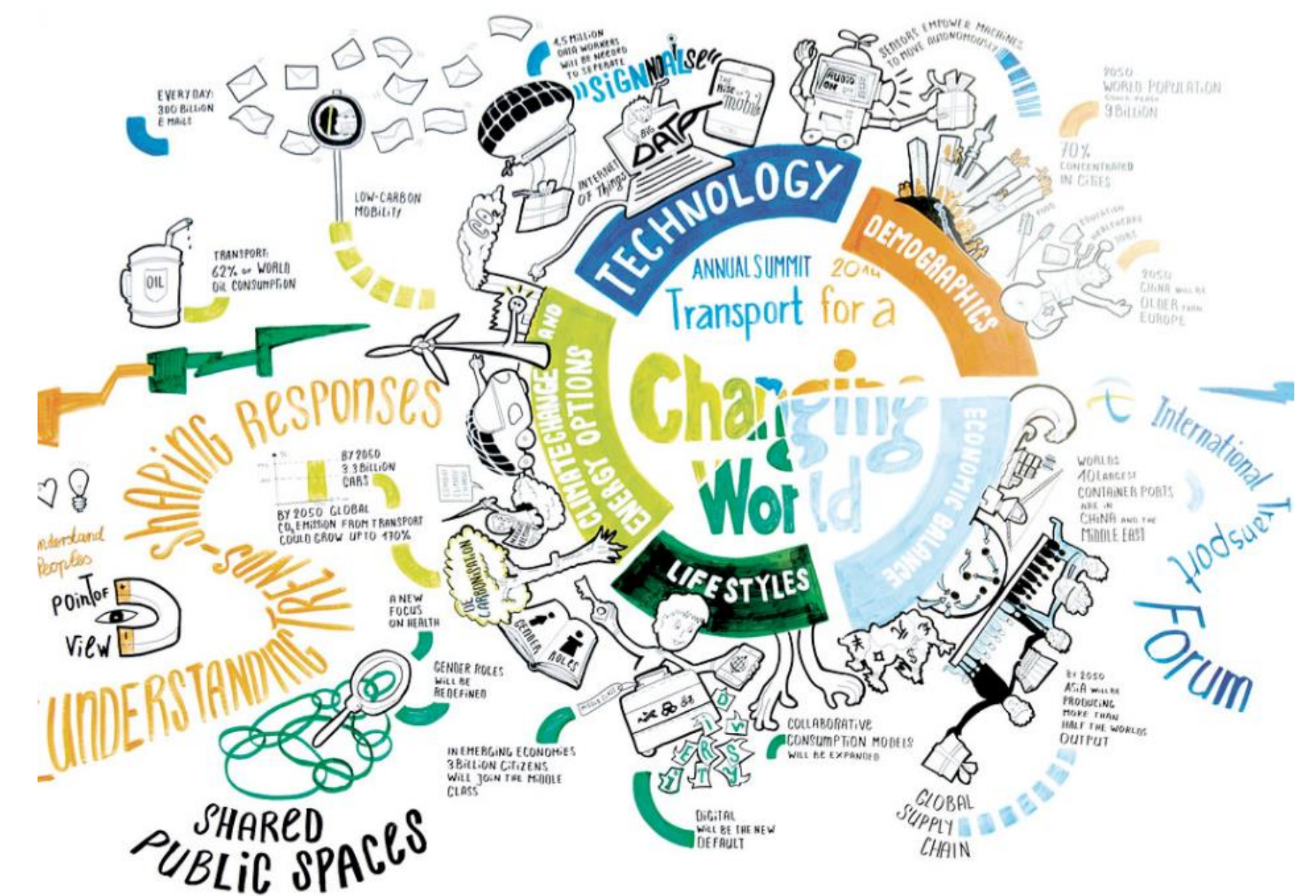
Source: Why “Think Global, Act Local” is more relevant than ever ([linkedin.com](https://www.linkedin.com/pulse/why-think-global-act-local-relevant-ever))

THE WORLD IS CHANGING

...the world is dynamic and constantly changing driven by various factors like technological innovation, culture, demographics, environmental developments, economic, political, and social dynamics and their interplay.

- **Demographic changes:** Ageing population in industrialized countries in contrary to youth surplus in developing regions
- **Geo-political changes:** Pandemic, political and military conflicts distract the world's balance and lead to geo-economic fragmentation
- **Social, cultural & economic changes:** Topics like diversity, equity and inclusion, sustainability as well inflation dictate how companies, societies and people are behaving
- **Technological changes:** high energy prices, rapid increase of artificial intelligence and trend towards digital solutions are changing needs in labor, security and processes

➔ How do we need to adapt to continue to succeed?



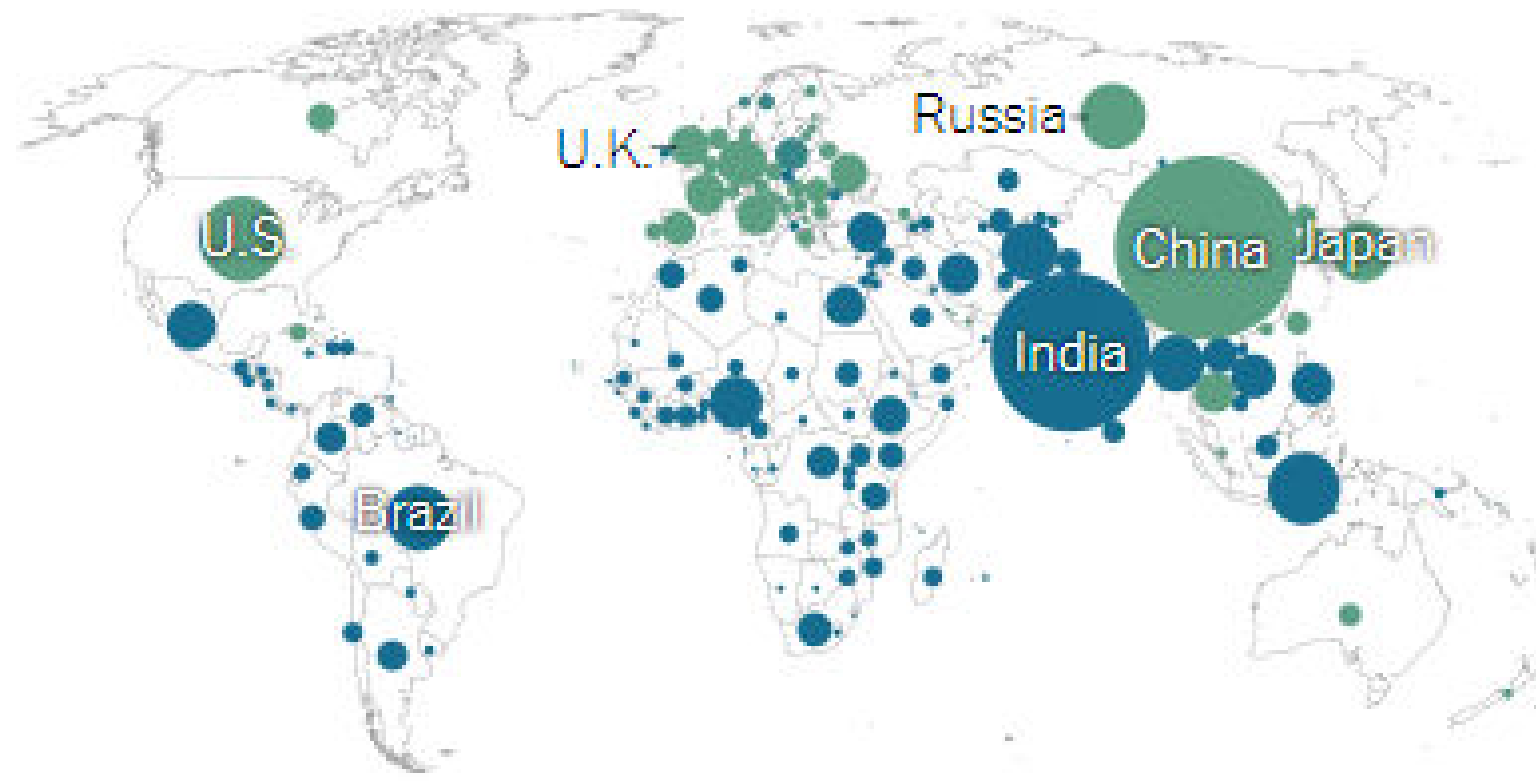
Source: Changing World animation | Drawing the Changing World theme ... | Flickr

DEMOGRAPHIC CHANGES RESHAPE THE WORLD

Demographic change has always existed as process of population development, but the extent of today's demographic change requires drastic adjustments in many areas of society and politics.

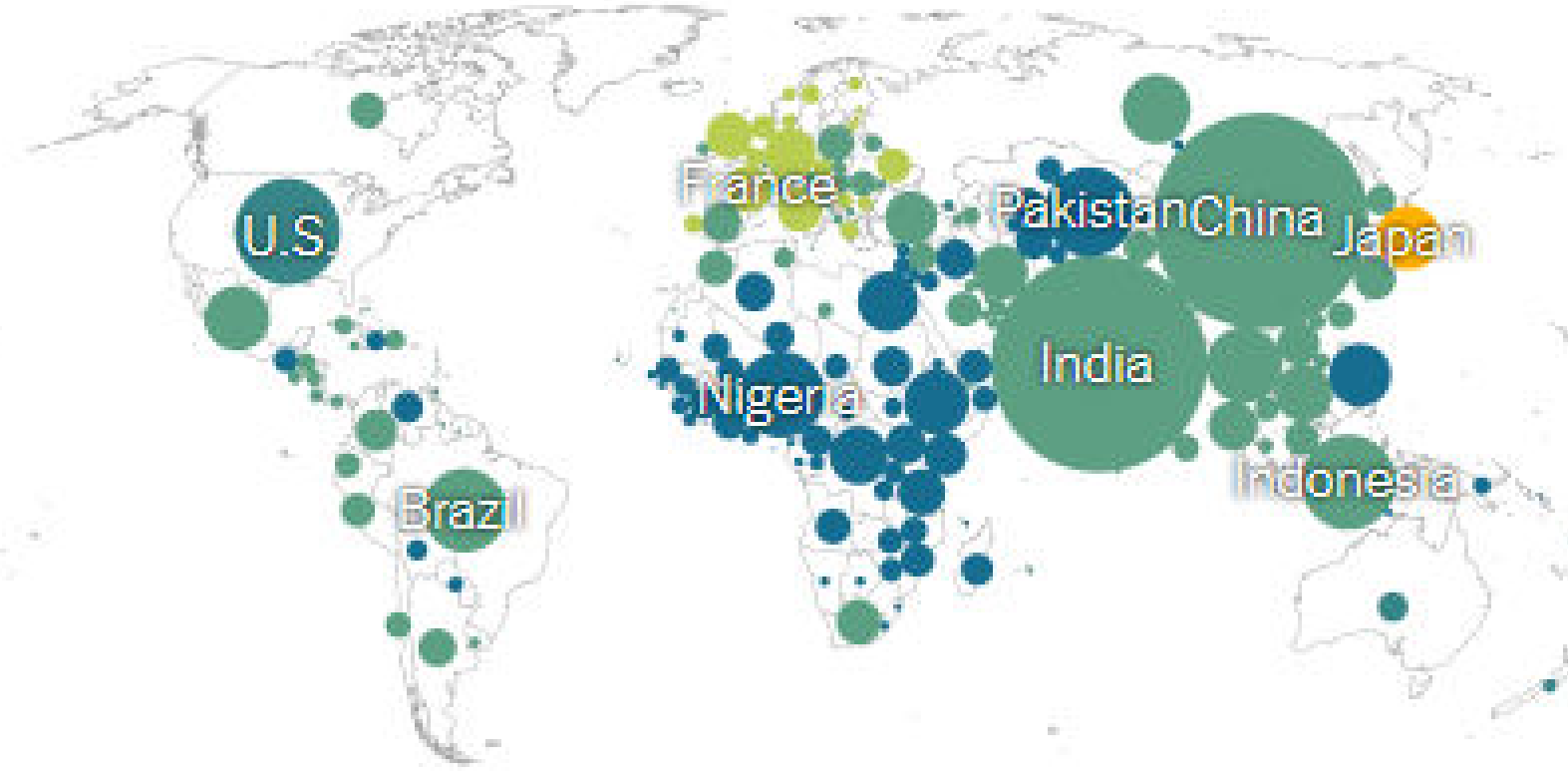
1990

The world's dominant powers had large **working-age** populations in the 1990s. Others were still very **young**.



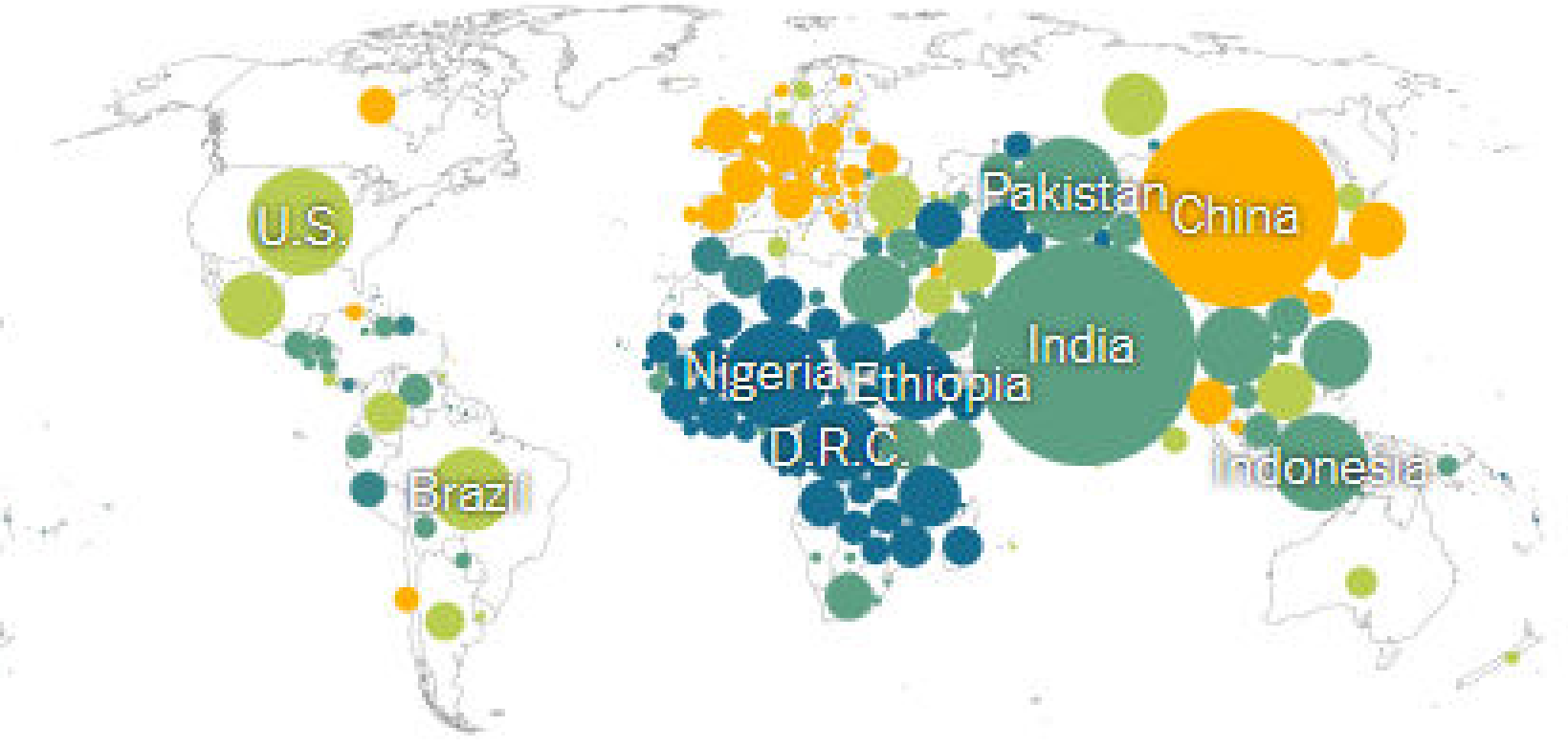
2023

Today, much of Europe is **aging**, and Japan is particularly **old**.



2050

In 2050, most of today's richest countries will be **old**. Others will have huge **working-age** populations for the first time.

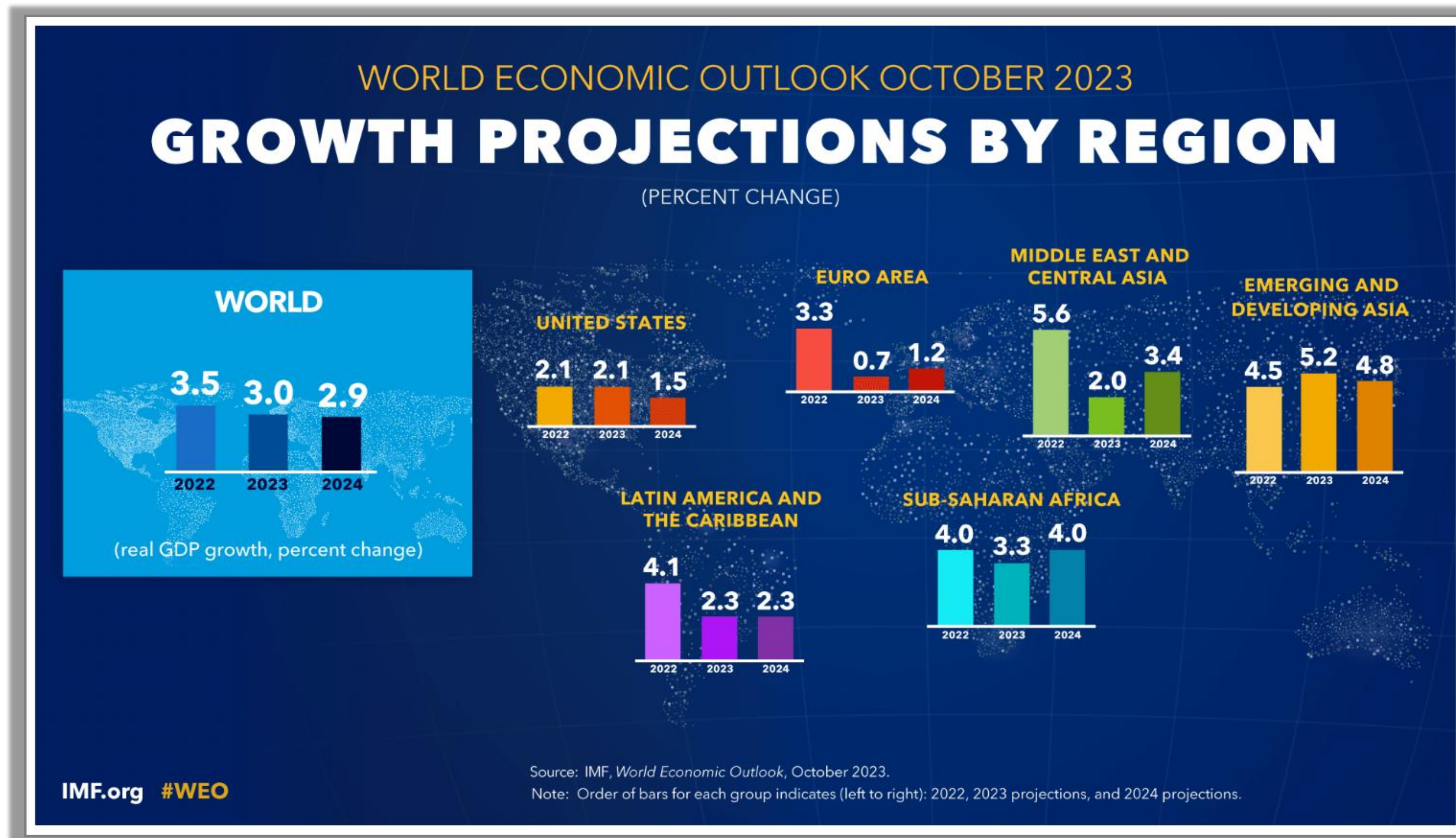


- World's demographics are transforming the world: Europe is shrinking. China is shrinking. India, a much younger country, is overtaking it in 2023 as the world's most populous nation. Africa is growing as well.
- This is just the beginning, projections are reliable and stark: by 2050, people age 65 and older will make up nearly 40% of the population in some parts of East Asia and Europe.

The New York Times [How a Vast Demographic Shift Will Reshape the World - The New York Times \(nytimes.com\)](https://www.nytimes.com/2023/01/25/world/demography-projections.html)

GLOBAL ECONOMY REMAINS WEAK

The likelihood of a hard landing has receded, but the balance of risks to global growth is still pointing downwards.



- Global recovery from the pandemic and military conflicts remains slow and uneven, always impacted by new conflicts
- Global growth is forecast to slow from 3.5%/2022 to 3.0%/ 2023, to 2.9%/2024
- Projections remain below the historical growth average of 3.8% (2000–19)

Source: [World Economic Outlook, October 2023: Navigating Global Divergences \(imf.org\)](https://www.imf.org/en/Publications/WEO/Issues/2023/10/04/navigating-global-divergences)

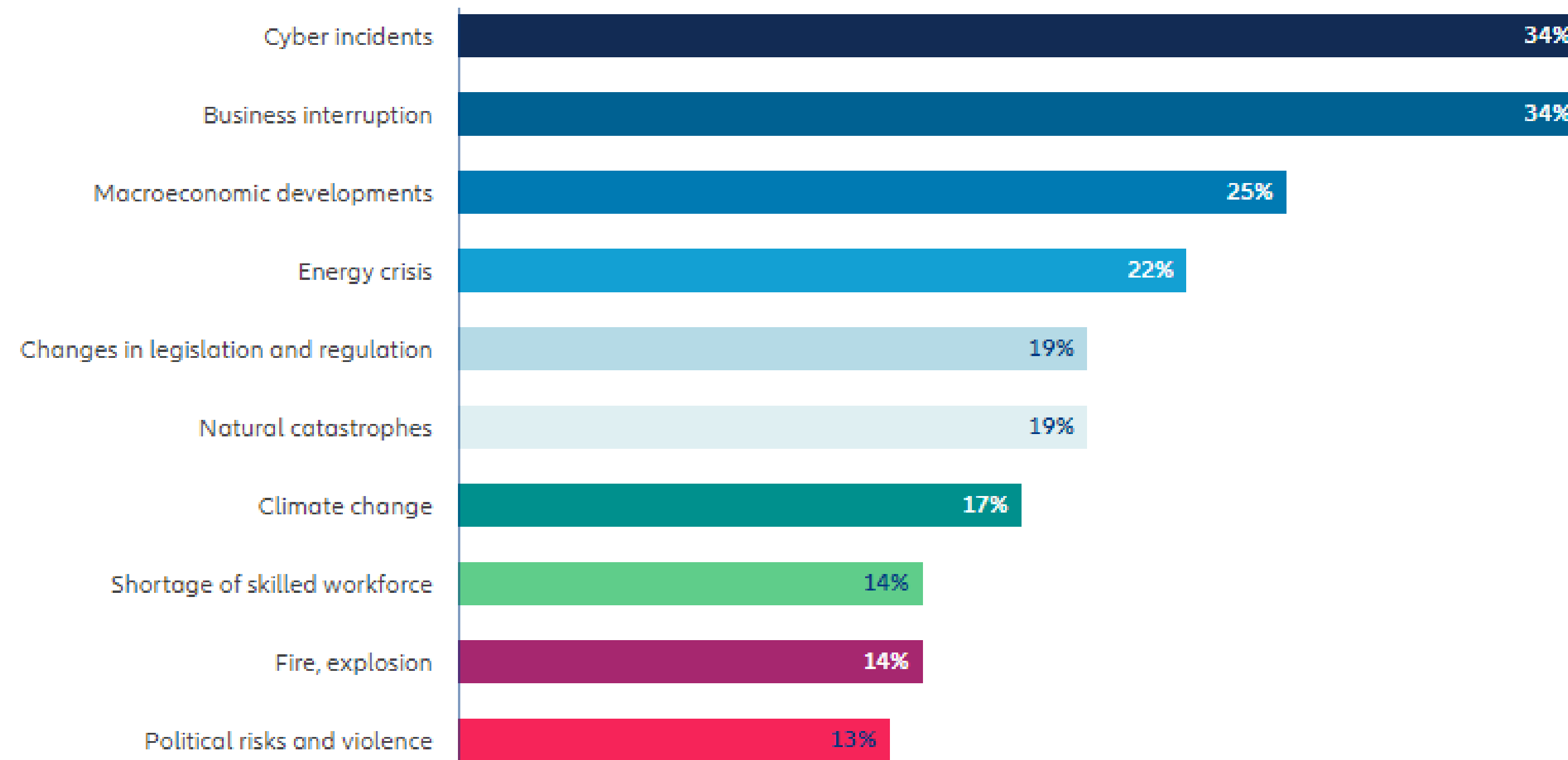
PERCEPTION OF GLOBAL RISKS

...the world's changing factors influence how businesses rate global risks.

The most important business risks in 2023: global

Allianz Risk Barometer 2023

Figures represent how often a risk was selected as a percentage of all survey responses from 2,712 respondents. All respondents could select up to three risks per industry, which is why the figures do not add up to 100%.



- Cyber incidents and business interruption (supply chain) rank as biggest company concerns for the second year in a row
- Top risers are macroeconomic developments (inflation, financial market volatility, looming recession [from 10 to 3] and energy crisis [new at 4])
- 4 of 5 business state that Germany lost in competitiveness and even is “Der kranke Mann Europas”

[Allianz Risk Barometer 2023 | AGCS](#)

Source: <https://commercial.allianz.com/news-and-insights/news/allianz-risk-barometer-2023-press.html>

CULTURAL DIFFERENCES & ITS EFFECT ON GLOBALIZATION

...cultural differences, visible or non-visible, need to be appreciated when setting up a global business and adopting to changes and reacting to risks.



- Culture iceberg theory
- 10% easy to see (language, food, courtesies, clothing, music, holidays, ...)
- 90% difficult to see (values, priorities, assumptions, perceptions, learning styles, approaches to problem solving, physical space, tempo of work, body language , ...)

CULTURE - CRUCIAL DIMENSION IN INTERNATIONAL BUSINESS

...key to success in intercultural relationships is the identification of similarities and differences as compared to one's own culture.

Power Distance

Egalitarian ↔ Embrace Hierarchy

Uncertainty Avoidance

Comfortable ↔ Uncomfortable

Individualism vs. Collectivism

Individualist ↔ Collectivist

Masculinity vs. Femininity

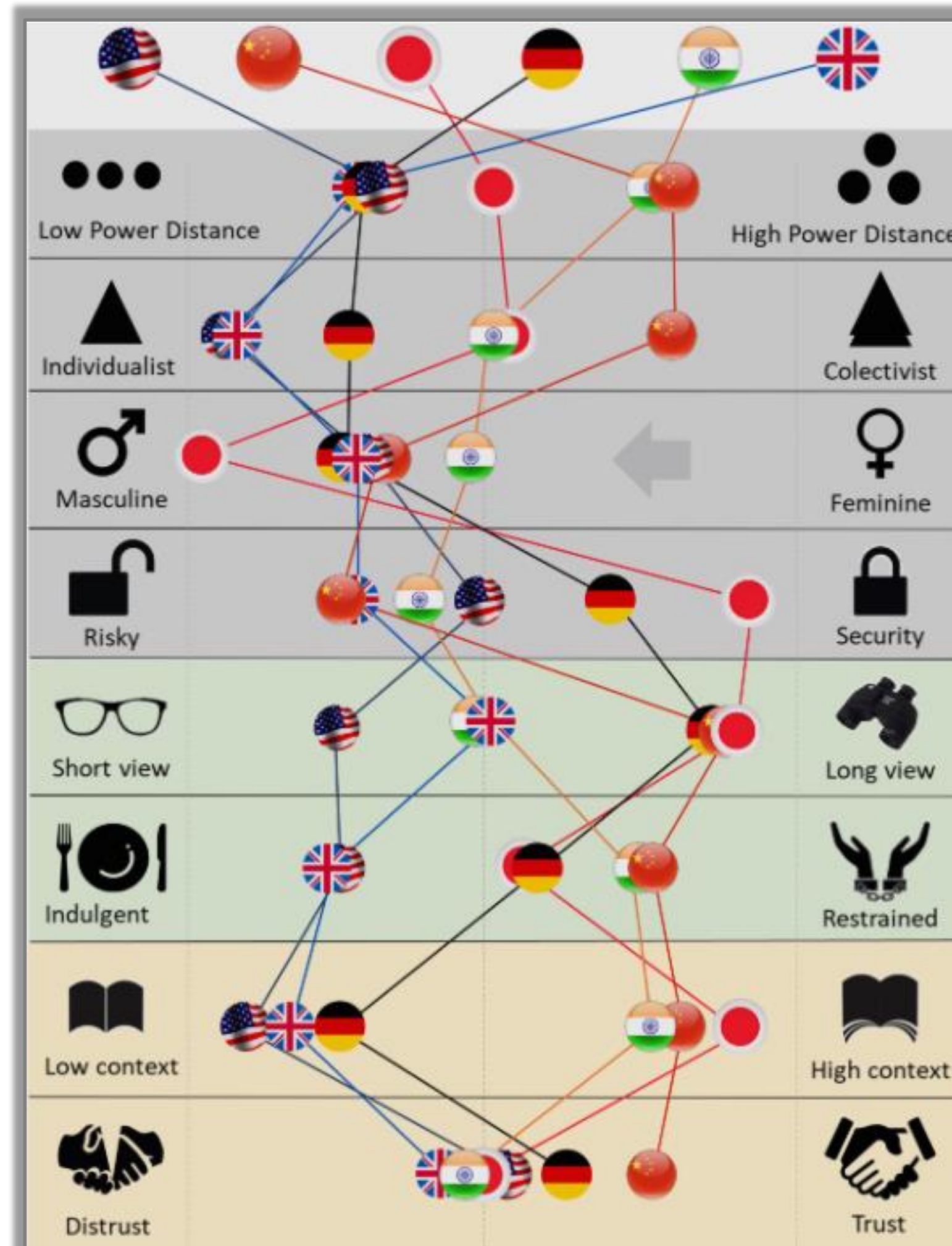
Power Important ↔ Nurture Important

Long-Term vs. Short-Term Orientation

Futuristic Long-Term ↔ Traditional Short-Term

Indulgence vs. Restraint

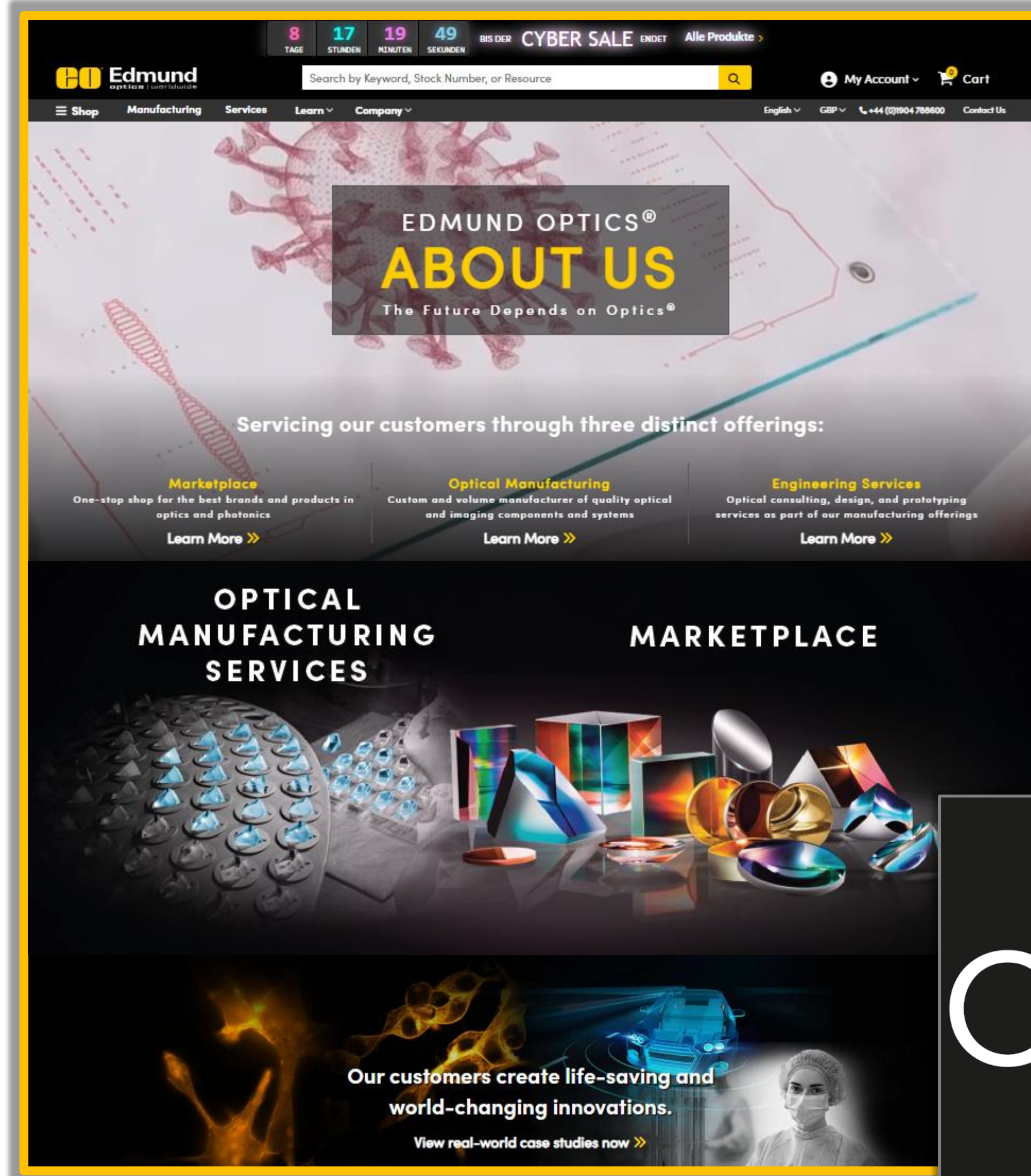
Satisfaction is good ↔ Restraint is good



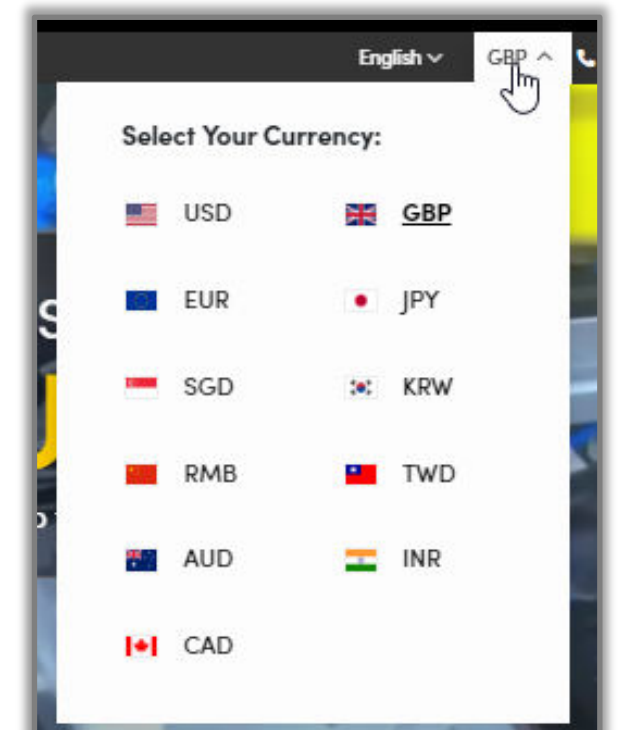
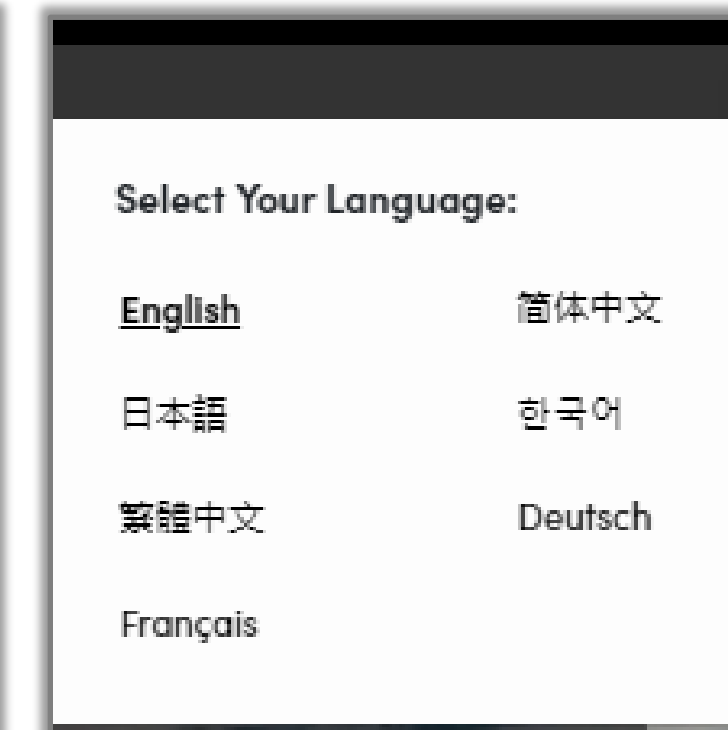
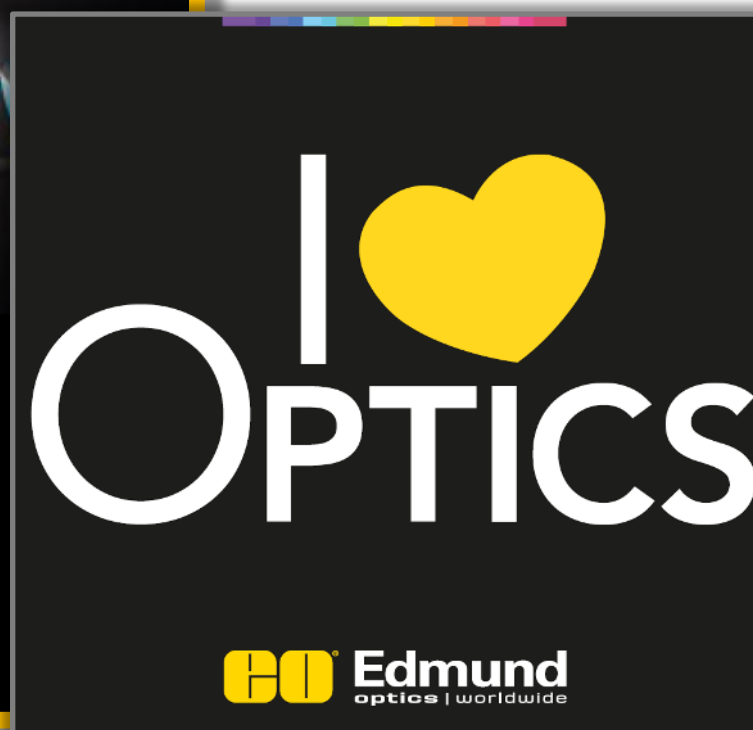
Source: Geert Hofstede Extended 8D Model — Stray Partners AS

- Hofstede's theory of cultural dimensions (80's)
(several updates, e.g. A. Trompenaars [7d])
- Understanding cultural particularities of interacting countries is essential
(Source: [Country comparison tool \(hofstede-insights.com\)](https://www.hofstede-insights.com/country-comparison-tool))
- Need to adapt business presentations to cultural values of global audiences
- International Marketing & Communication heavily influenced by culture
- Intercultural Communication helps integrating into new situations

EDMUND OPTICS

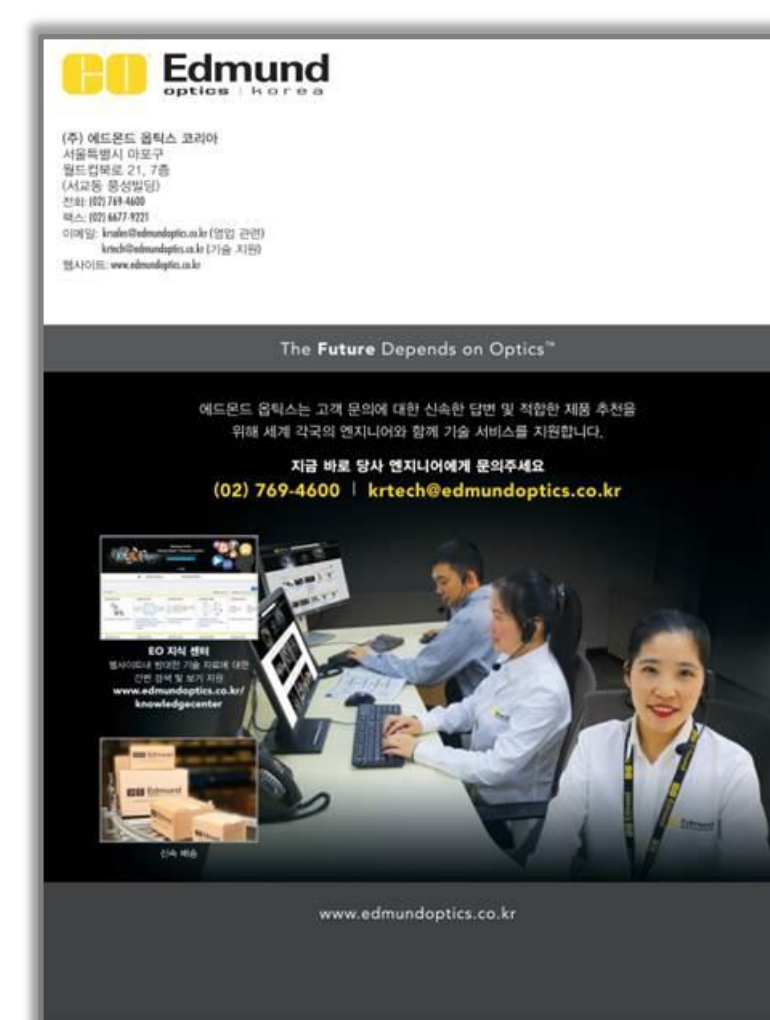
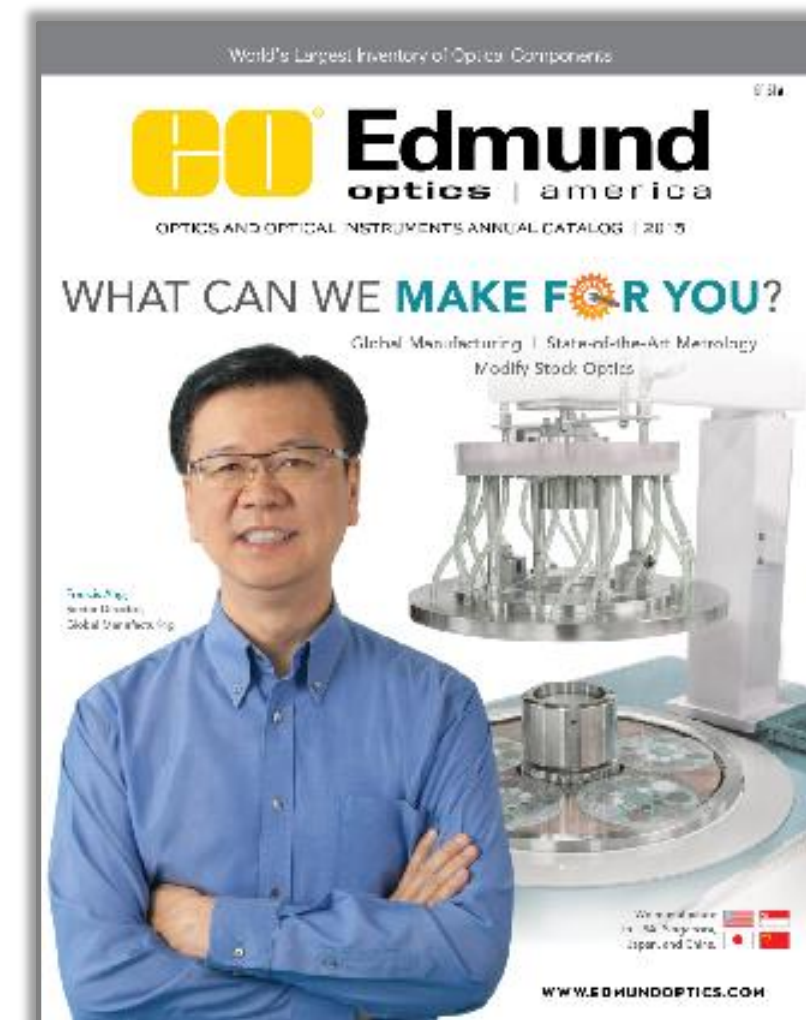


- Leading provider of optical technology solutions serving a variety of markets since 1942
- +1.250 employees across 18 global locations
- Servicing customers through two distinct offerings:
 - ✓ **Optical Manufacturing Services**
custom design, prototyping, and volume manufacturing of high-quality optical and imaging components and systems
 - ✓ **Marketplace**
one-stop shop for the best brands and products with off-the-shelf availability for immediate shipping and volume

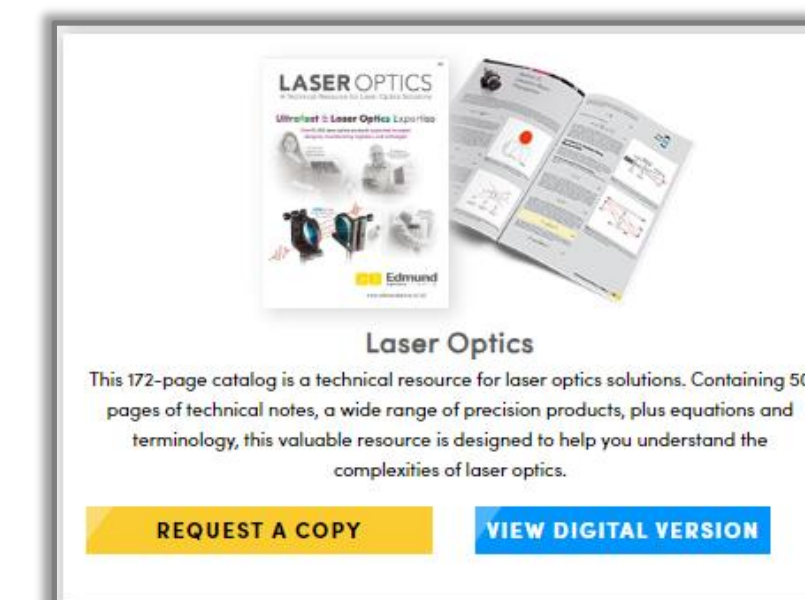
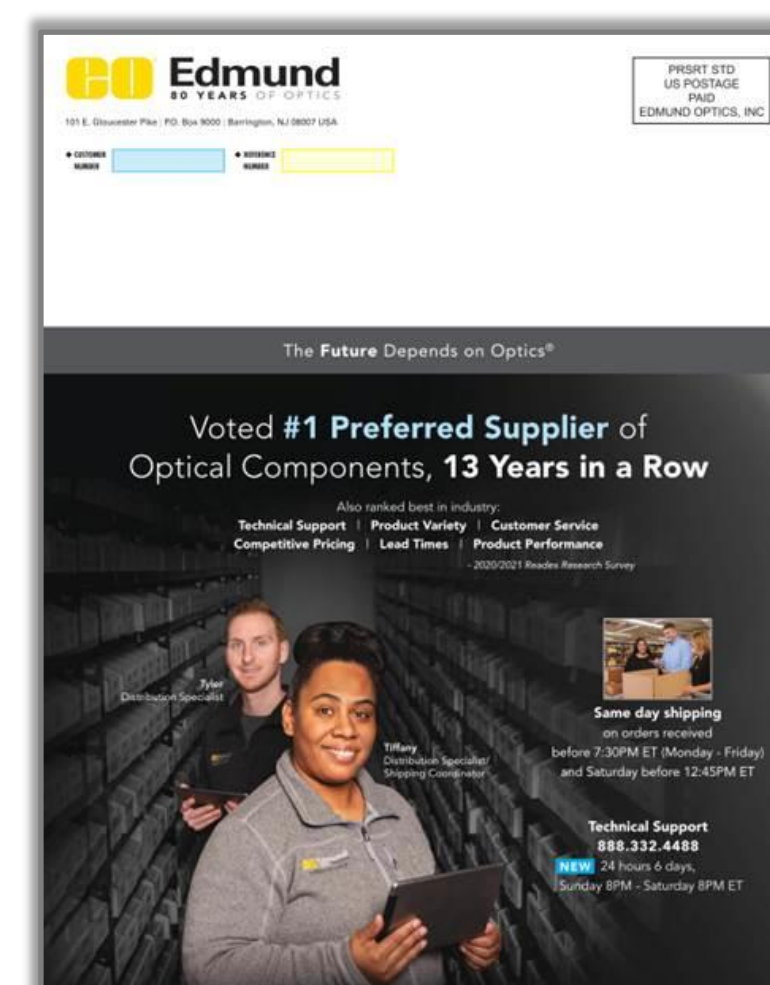
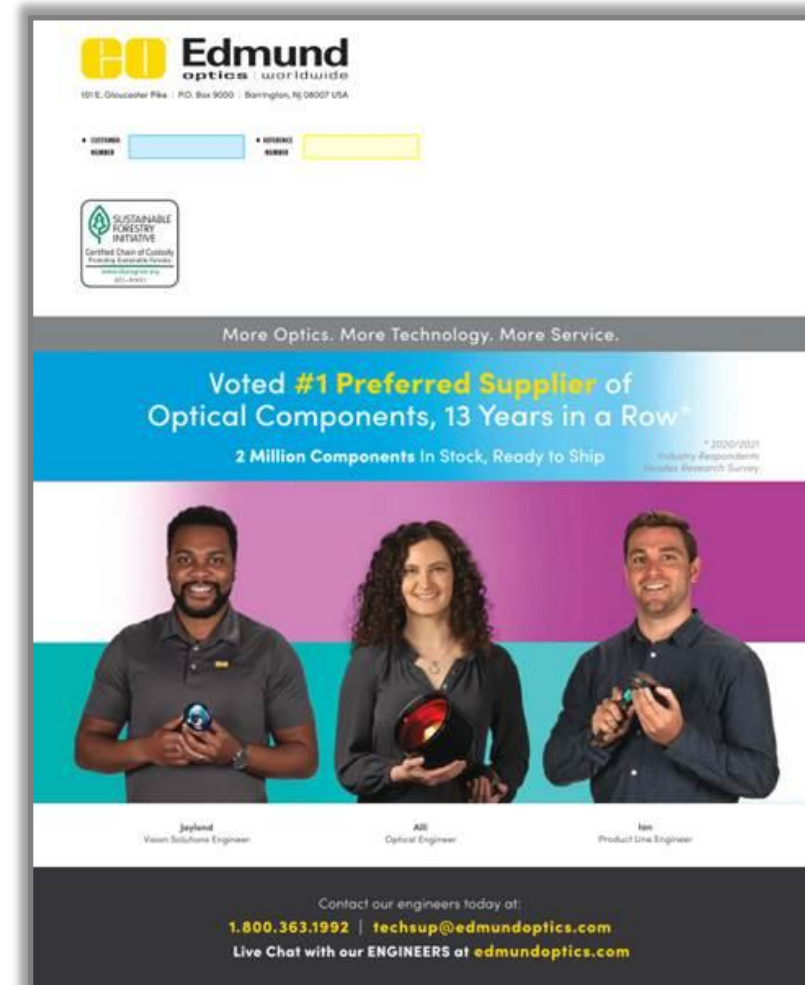


COMMUNICATION TAILORED TO DIFFERENT CULTURES - 1

...targeted and adopted communication to reflect cultural differences and perception.

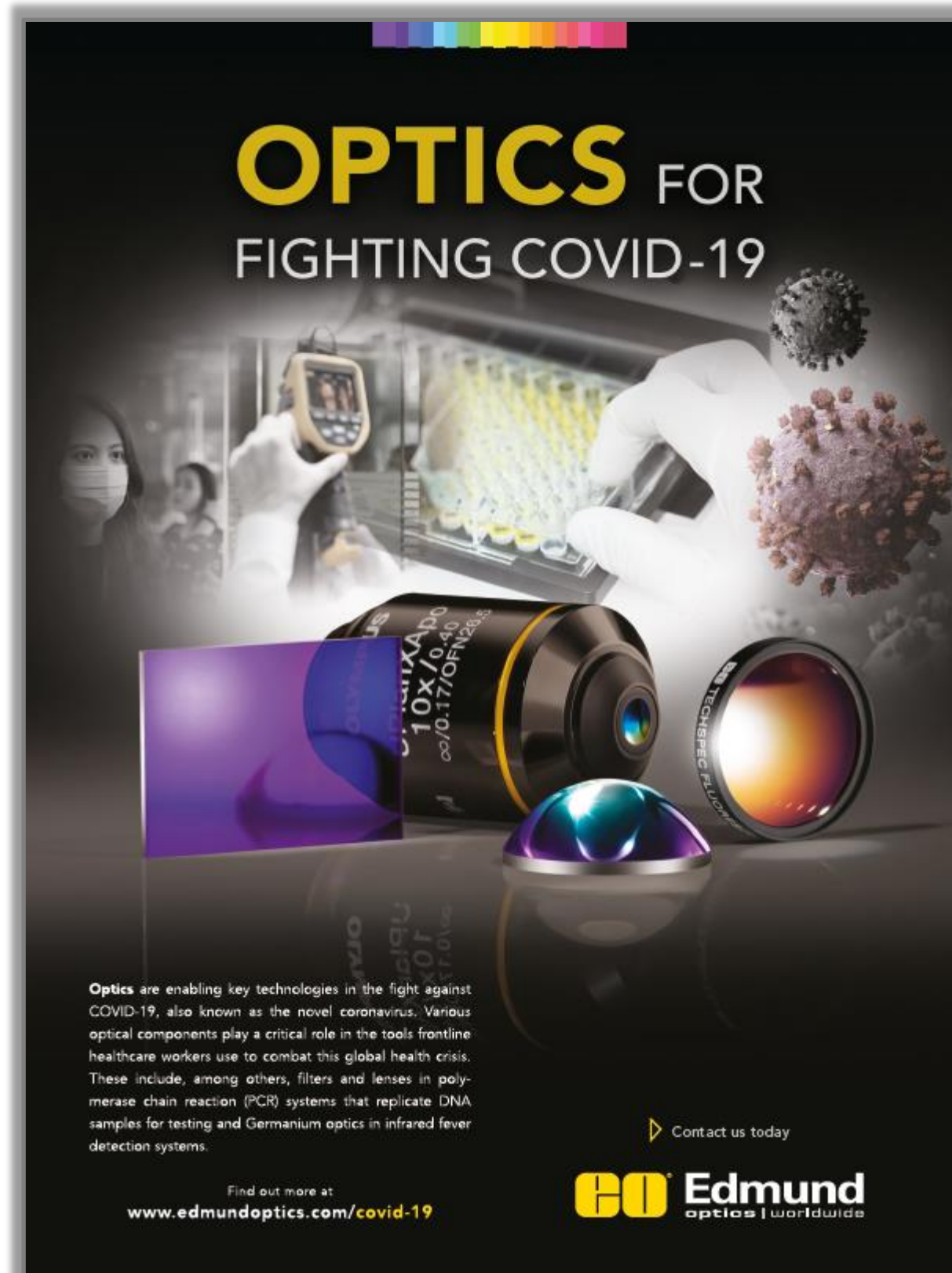


- 6 different standard publication in 14 global versions (language, currency)
- Choice between print or digital
- Continuous optimization of targeted distribution (by topic, industry, country, language, etc.)
- Website: 7 languages, 11 currencies



COMMUNICATION TAILORED TO DIFFERENT CULTURES - 2

...if you want to reach regional readers, speak their “language”.



OPTICS FOR
FIGHTING COVID-19

Optics are enabling key technologies in the fight against COVID-19, also known as the novel coronavirus. Various optical components play a critical role in the tools frontline healthcare workers use to combat this global health crisis. These include, among others, filters and lenses in polymerase chain reaction (PCR) systems that replicate DNA samples for testing and Germanium optics in infrared fever detection systems.

Find out more at:
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? **Mid-spatial frequency errors** on optical surfaces are commonly referred to as waviness. **High spatial frequency errors**, on the other hand, are commonly referred to as:

a) Figure c) Goodness
b) Roughness d) Shape

Every month this year, we will feature a new trivia question in Photonics Spectra magazine. Check our website for the announcement of this month's winner and another chance to win! Expires December 31, 2023

www.edmundoptics.com

- Global advertising not just translated but with tailored content
- Regionalized way talking to target group (gamification, trivia, not globally applicable)



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COMMUNICATION TAILORED TO DIFFERENT CULTURES - 3

...if you want to reach regional prospects, you need to reflect their behavior and customs.



USA



Europe



Japan



Korea

- Regionalized concepts for trade shows → unified look and feel to guarantee an immediate recognition, but with regionalized nuances to reflect cultural differences
- Be aware of body language and national customs 🙌
- USA: open, acrylic hanging signs, transparent meeting room; Europe: private meeting room; Asia: remain in aisle

COMMUNICATION TAILORED TO DIFFERENT CULTURES - 4

...reach out to audience with answers to their concerns, but localize language.



OVERLAPPING CAPABILITIES TO STRENGTHEN SUPPLY CHAIN



MANUFACTURING FOCUSED

OTHER FACILITY

Manufacturing redundancy across the eight global Edmund Optics® manufacturing facilities results in a stable supply chain resilient to geopolitics, natural disasters, and other factors. Looking for manufacturing options outside of China? Edmund Optics offers manufacturing in:

- Malaysia
- Singapore
- Japan
- Germany
- The United States

Protect yourself from supply chain disruptions by partnering with diversified manufacturers. If you need a reliable optical manufacturing partner, fast quotations, and access to global options, Edmund Optics is ready to help!

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- Malaysia
- Singapore
- Japan
- Germany
- The United States

You can protect yourself from supply chain disruptions by partnering with diversified manufacturers and if you need a reliable optical manufacturing partner, fast quotations, and access to global options, Edmund Optics is ready to help!

[LEARN MORE](#)

- Direct communication to address customers' concern
- Same content, different wording to reflect cultural differences but also different levels of language skills

Protect yourself from supply chain disruptions by partnering with diversified manufacturers. If you need a reliable optical manufacturing partner, fast quotations, and access to global options, Edmund Optics is ready to help!

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GLOBAL NETWORK - IMPORTANCE OF SOCIETIES

...engagement in industry relevant societies and committees across the globe as opportunity to learn about cultures and different regions, to get access to the markets, but also to contribute and strengthen the optics & photonics sector.



... and more.

SUMMARY

“Think Global, Act local” - still valid?

➔ **Yes!**

- Never neglect cultural differences
- Tendency caused by geo-political changes to be more local to secure independence and speed

How do we need to adopt to continue to succeed?

➔ **Target & Agility!**

- Stay flexible
- Tailor communication and business behaviour to target groups reflecting social and political changes



THANK YOU!



Please reach out for further questions:

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