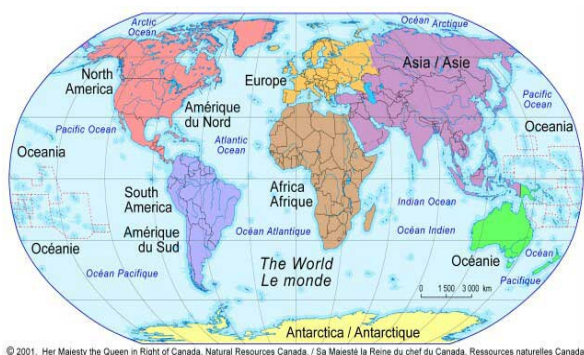


ADAPTING TO GLOBALIZATION



Lycée Etienne Oehmichen Châlons-en-Champagne / FRANCE

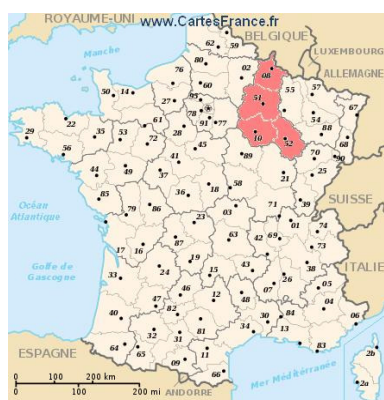
<http://www.lyc-oehmichen.ac-reims.fr/>



'I just wanted to understand why the Indians I met were taking our work, why they had become such an important pool for the outsourcing of service and information technology work from America and other industrialized countries.'

Thomas L. FRIEDMAN, ***The World is Flat***, Farrar, Strauss and Girous, April 2005

Winner of the Pulitzer Prize and author, Thomas L. Friedman, a well-known American journalist recounts his journey to Bangalore, India, when he realized how globalization had changed core economic concepts. He analyzes globalization and points out the flat world metaphor as for him the world is a level playing field where all competitors have an equal opportunity. A global market where historical and geographical divisions are becoming increasingly irrelevant, where competition is the rule.



WHAT IS GLOBALIZATION ?

Comes from the latin word « mundus » meaning *universe*.

Globalization can be defined as the process of increasing the connectivity of the world's markets. The driving forces of this phenomenon are the interdependence of men, deregulation, liberalization, outsourcing of activities, capital flows, migrations, advances in transportation and telecommunication infrastructures.

➤ Advantages

- Industrialization and development of Third World economies
- Intercultural exchanges / reduction of cultural barriers
- Technological transfers
- Intercultural exchanges / reduction of cultural barriers
- Increased flow of communication

➤ Disadvantages

- Deregulation of national economies
- Outsourcing and job losses in Western countries
- Increase of pollution
- Emergence of a cultural standard...

JOB, ECONOMY AND GLOBALIZATION IN CHAMPAGNE-ARDENNE

The regional economic activity

A few figures:

- ❖ 61.4% of the territory is dedicated to agriculture.
- ❖ 73531 acres of vineyard.
- ❖ The third industrial region
- ❖ 36 541 million € : GRP (17th French Region)
- ❖ 1.9% of National GDP
- ❖ 24093 farms
 - 10988 in viticulture
 - 7692 in culture
 - 4594 in livestock
 - 819 in market gardening, fruits.
- ❖ 6733 million € of exportation in 2009 :
 - Wine and Champagne : 20.8%
 - Equipments for automobile : 6.8%
 - Cereals and industrials crops : 4.1%
- ❖ 5538 million € of importation in 2009
 - Pharmaceutical products : 18.5%
 - Steel products : 12,7%
 - Plastics : 10,9%

The main suppliers are:

- ❖ Germany 18.5%
- ❖ Italy 12.7%
- ❖ Belgium 10.9%
- ❖ United Kingdom 6.6%
- ❖ Sweden 5.4%

➤ **The Champagne sparkling wine**

The economy of Champagne-Ardenne is driven by high levels of champagne Exports across the world (accounting for 20.8% of Champagne-Ardenne exports).

- ❖ 141million bottles of Champagne exported in 2009
- ❖ Krug is the first exporter of Champagne (upscale Champagne) with an annual turnover in 2008 of 38 million euros on exports - 84.28% of their total turnover.
- ❖ 44% of the production of Champagne is exported to the following countries:
 - United Kingdom : 35 984 574 bottles
 - United States : 17 193 526 bottles
 - Germany : 11 573 597 bottles



➤ **The High Speed Train**

The TGV is a huge success. A year after its inauguration, the eastern track transported 11 million passengers.
63% of people living in Champagne-Ardenne said they were positive to the TGV Est.



➤ **Foreign participation**

In 2008, Champagne-Ardenne was the fourth French region in terms of foreign participation with 25.4% of companies owned by a foreign group with 38.9% of workers.

Tourism

- ❖ Tourism is promoted and is quite important in the region, especially with the numerous water plants (“Lac du Der”, “Lac de la Forêt d’Orient”) which attract many water sports enthusiasts from abroad.
- ❖ Nigloland, an amusement park (3rd largest in France) is located near the “Parc Naturel Régional de la Forêt d’Orient”.
- ❖ The outlet shops of Troyes are a great attraction for the region
- ❖ The historical and architectural heritage : “Cathédrale de Reims”, “le vieux Troyes”, “le château fort de Sedan”, “les remparts de Langres”...

In the Champagne-Ardenne, 32.5% of overnight hotel stays are foreign persons of which 93% are from the European Union.

- | | |
|-------------------------|---------------------------------------|
| ❖ 40 % are British | ❖ 4 % are Italian |
| ❖ 22 % are from Belgium | ❖ 4 % are American |
| ❖ 10 % are from Denmark | ❖ 10 % are from the rest of the world |

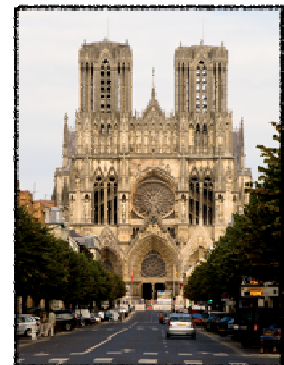
Despite the slight decline of tourism, the region of Champagne-Ardenne still attracts many foreigners.



Nigloland



Sedan



Reims



Langres



Troyes

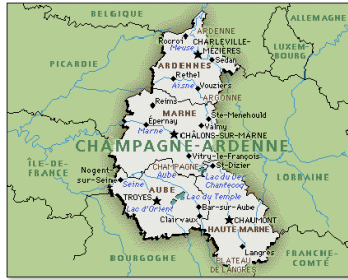
Globalization led to the creation of innovative projects for the future:

➤ Improvement of transportation

- ❖ International airport of Vatry
- ❖ High Speed Train

➤ Evolution of higher education

- ❖ Europol' Agro
- ❖ ESIEC
- ❖ UTT (Technical University of Troyes)
- ❖ The URCA and its business schools have become innovative centers of training and research.



Negative effects of globalization

Globalization and the opening of international competition generate negative effects at the regional and local levels, changing the balance of the territory.

With the globalization of the economy, some sectors which had constituted the region's wealth, are today a source of fragility due to in a fierce international competition.

➤ **Outsourcing and job destructions**

- ❖ Electrolux moves to Poland
- ❖ Michelin moves to Turkey

Hence a growth of unemployment. 82,900 jobs have been destroyed in the region's industrial sector in only 5 years. Thus creating many demonstrations and protest movements.

➤ **Drop of investments in the region**

➤ **Fall of economic activity**



HISTORY



Orange was launched on the UK market in April 1994 by Whapoa, a company from Hong Kong, with the goal of becoming the benchmark for mobile communication. Orange was launched in September 1998 in Hong Kong, and moved from 4th to 1st in only six months.

Late 1999, the German Mannesmann AG announced the acquisition of Orange, before being bought by Vodafone.

In August 2000, France Telecom bought Orange from Vodafone for a total estimated cost of 39.7 billion Euros. The majority of the mobile activities of Orange are then Orange SA group.

In 2005, Orange France becomes the first operator to use a national network for mobile broadband, bringing together:

- ❖ the EDGE which covers 95% of the population
- ❖ 3G who covers 60% of the population
- ❖ GPRS (which covers 98% of the population.)

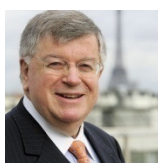
In November 2008, the group launched its five Cinema Series channels.

In 2010 Orange changed its head management . Didier Lombard was replaced by Stéphane Richard as CEO.

An internal reorganization also took place with the entrance of the former Culture Minister Christine Albanel, in charge of the group's communication campaigns.



Christine Albanel



Didier Lombard



Stéphane Richard

Orange will be the sole name of the group by 2012.

A FEW FIGURES

200 000 employees in the world

1400 employees in Champagne-Ardenne

150 employees in Châlons-en-Champagne

Turnover in June 30th, 2010: 22 144 million Euros

Turnover in June 30th, 2010 in France: 11 590 million Euros

Financial debts in June 30th, 2010: 29 892 million Euros

In 2009: 26.3 million customers in France

30 June 2010: 182 million customers in 32 countries with 123,1 million of mobile customers and 13.2 million of ADSL customers

Third mobile operator in Europe

Third supplier of broadband internet services in Europe

A leading global telecommunications service supplier to multinational companies, under the brand Orange Business Services.

THE CORPORATE VALUES



friendly

We take the time to listen. We treat everyone as individuals. We enjoy working and succeeding together.

honest

We are open. We say what we do and we do what we say. We are happy to share.

straightforward

We are direct and easy to understand. We keep things simple. We focus only on what's important.

refreshing

We are brave. We dare to do things differently, to find a better way. We give colour to all that we do.

dynamic

We are passionate, confident and focused on the future. We push the boundaries. We make a difference to people's lives.

Together we can do more

INTERNATIONALIZATION

Orange owns subsidiaries:

- In Europe
- In Africa
- In Asia
- In North America
- In Latin America and the Middle-East

Partnerships abroad:

A few examples:

- ✓ Microsoft for mobile phone operating
- ✓ Apple for iPhone distribution
- ✓ HP, British Telecom, Telefonica, Deutsche Telecom, Nokia...
- ✓ Subcontracting of customer hotline in Cap-Vert, Egypt, and Mali
- ✓ Technological research with the Polytechnicum of Munich and the MIT

Some competitors

- Belgacom, Proximus (Belgium)
- Vodafone (United Kingdom)
- T-Mobile (Germany)



Interview of Daniel NABET, FT-Orange regional manager



What are the main activities of FT/Orange?

France Telecom is a telecommunication company and Orange is its key brand. France Telecom offers telecom services. Our job is to allow communication between people.

France Telecom has bought Orange, from whom and why ?

France Telecom bought Orange from a British entrepreneur, Hank Snook for 33 billion euros. The aim was to make internationalization easier for France Telecom.

What were the advantages for FT to shift from a public-owned company to a public stock corporation with private shareholders?

Public companies cannot get cash-flow from the market or buy a private company. The State needed money and wanted to enable France Telecom to compete successfully at the international level.

When did FT-Orange extend the most?

Orange developed at a high speed between 2004 and 2006 when it purchased many companies. FT-Orange is still developing and has become the first phone operator in Africa.

Which advertisement media do you use the most?

We give priority to proximity and direct marketing. Flyers and posters are therefore more efficient and less costly than television.

Who are the target customers?

In Europe, we used to target young people who were the massive users of mobile phones. Things have changed and all ages are concerned now. But the situation is different in Africa and Latin America where the population is very young.

What are your goals for 2011?

First of all, we want to recreate the social link with the employees, revitalize corporate culture and adapt our management policy. Our project, "conquests 2015", simultaneously addresses its employees, customers and shareholders through a concrete set of action plans.



FT-Orange headquarters in Châlons

- **What is the link between the State and the company?**

The State owns 17 % of the France Telecom-Orange. The 80,000 civil servants of the company are managed according to the Code of the French Civil Service. The State cannot outsource the company's head office overseas.

- **Have France Telecom and Orange remained two separate entities in the same group or have they merged?**

France Telecom and Orange have merged into a single group.

- **What is the amount of the company's debt?**

The 75 billion € debt has dropped to 30 billion €. This company is the least indebted of the sector.

- **How are you affected by the economic crisis?**

France Telecom-Orange is barely affected by the economic crisis, compared to other companies, because telecommunications have become indispensable to our lives. We can no longer do without a phone, a computer, TV...

- **What is your strategy to cope with competition?**

We have two strategies - service and innovation.

- **Have you got a social-awareness policy? If yes, what are the main lines?**

Yes, France Telecom-Orange has a social policy. We are trying to restore the social dialogue with the trade-union organizations. For that, we have signed agreements. We favour conviviality and pay a close attention to vulnerable employees.

❖ *Conquest of the employee pride*

❖ *Conquest of customers*

❖ *Conquest of networks*

❖ *Conquest of international development*





- **What is the global coverage of France Telecom Orange?**

We are present in 20 countries and Orange Business

- **What are your major partnerships abroad?**

Deutsch Telecom, Microsoft British Telecom, HP...

- **What type of agreements do you have with your partners?**

We have distribution, subcontracting, technology and sales agreements.

- **How many branches do you have? Where?**

They are mostly in Europe (Spain, Poland, Romania...) and in Africa. For example Orange UK with Everything Everywhere, Electra in Greece, Telecom Polska...

- **What new professions/jobs have you created through globalization?**

There haven't been any new professions created but rather an evolution of customer-contact jobs, in call centers and intervention technician.

- **Do employees have the opportunity to work abroad?**

We encourage personal projects and help in the settlement of expatriates.

- **What are the most international jobs?**

Customer contact services, technicians, research, innovation and marketing..

- **What part of the business was mostly relocated?**

Only 20% of customer call-centers have been outsourced but we are gradually undergoing a process of insourcing.



- **Has globalization had a positive or a negative effect on your company?**

Let's say that we have to adapt to it and succeed our internationalization operations to remain competitive.

SPONSORSHIP

→ Mr. NABET prefers the word *partnership* to *sponsorship*.

The regional section of FT-Orange finances events such as seminars, forums and dinners. A stand is installed in each location.

- The job train
- Biking tour
- Charleville puppet festival
- Light and shadow festival at the Clairvaux Abbey
- Châlons-en-Champagne fair
- Creation of a Telecom diploma at the technological college of Châlons...



Clairvaux Abbey Festival

The Orange Foundation participates in various development projects throughout the world:

- Education of young girls in Africa
- Telephone posts in rural villages...

Orange does not earn money with the different events but its purpose is to convey a message and some values.

It is the reason why they have become one of the official partners of the rugby championship Top 14. Rugby, more than football, seems to share the same values as the company.



CHAMPAGNE JOSEPH PERRIER

A Family Business filled with History

Joseph, the son of a wine merchant, François-Alexandre, established the Champagne House in 1825, "Joseph Perrier Fils et Cie". They settled in Châlons-Sur- Marne, on the road to Fagnières. The offices are housed in an old post house and the wine cellars in the adjoining master residence. During that period, Chalons-Sur- Marne (now Châlons-en-Champagne) had several hectares of vineyards and approximately ten distinguished Champagne Houses.

Their names are Perrier, Pithois, Fourmon, from father to son or cousin for five generations. Joseph Perrier is a genuine family concern.

An International Trade

Champagne Joseph Perrier has been in the international trade as early as 1850 and its reputation abroad never waned.

The international exhibition "vin expo" which takes place every two years in Bordeaux attracts clients from every part of the world.

People heard the brand name though the grapevine which contributed to its prestige.

Joseph Perrier became more famous thanks to its website which enable them to stay competitive.

Each year 800 00 bottles are produced by Joseph Perrier and 2/3 of them are exported.

The main customers at the international level are the United Kingdom, Italy and Finland followed by The United States, Japan and Australia.

TYPES DE BOUTEILLES DE CHAMPAGNE



The Vineyard

Joseph Perrier owns twelve hectares of Pinot Meunier on the hillside, 7 of these in a single parcel are carefully protected from spring freezes by spraying water.

The House's 21 hectares satisfy 30% of the production. The rest comes from 30 crus, on The Mountain of Reims. La Côte des Blancs and the region of Vitry are delivered by winegrowers, from father to son, in relation to Joseph Perrier for three to four generations.



Champagne Joseph Perrier

Quite affordable in France, it's everywhere in the world associated with luxury, celebration and refinement.

25 people at Joseph Perrier work to guarantee the finest quality of their champagne with 8 people in the office, 8 people in the cellar, 8 on the vineyard and one guard.

The champagne Joseph Perrier is listed in lots of wine guides in different editions.

The royal coat of arms adorns all classic cuvees and symbolizes the distinction attributed by Queen Victoria and King Edward VII...

Champagne Joseph Perrier

69 Avenue de Paris, BP 31
51016 Châlons-en-Champagne

Téléphone : 03 26 68 29 51
Télécopie : 03 26 70 57 16

<http://www.josephperrier.com/>



WORK EXPERIENCE ABROAD

- In which professional sector do you work?

I work in education. I am a French teacher.

- Why did you decide to work abroad?

I love traveling. I'm fond of exoticism and adventure. I knew that in Mayotte I would discover an African atmosphere.

- Did you speak their language?

French is the official language in Mayotte, since it is a French territory. But there are also other languages. I know a few words but they are very difficult to learn ?

- How long have you been there?

I have been living there for 9 years. I travel between Mayotte and the Reunion island.

- Are the working conditions the same as in France?
Why ?

No, things are totally different. Schools are not as well equipped as in Metropolitan France and pupils are more numerous. However they are easier to handle and there is no violence.

- Did you adapt to their lifestyle? Which habit was the most difficult to bear?

No I haven't really adapted to their lifestyle. There is a religious and cultural gap but we can mix. But I can't stand the climate and the humidity.

- What are the personal and professional advantages of this work experience abroad?

At a professional level, I have to adapt my teaching to local demands. The relationship with the pupils is more pleasant and rewarding.

At a personal level, this experience has enabled me to discover a new lifestyle. Less stressful and more time saving. However the cost of living is high, so I shop less.



Growing up today is quite different from growing up twenty years ago. Nowadays, young people experience globalization at a very early age, are efficient in the use of new technologies and master communication devices. They spend more time at school, on their computers, on the phone. They stay longer at the parents' home and enter the working market later than in the past. Surprisingly, their lives are both more complex and less secured. Despite the variety of opportunities they are offered in a global world, competition has become a standard. They must learn to be competitive and think not only at a local level, but at a global level. Borders have disappeared in Europe and traveling the world is more affordable than ever. Achieving a high level of education and training is compulsory for future professional opportunities. But a diploma is not enough, the personality and willpower will make the difference.

Strategies and requirements for school leavers:

- Think positive
- Be motivated and lively
- Be ambitious and competitive
- Be flexible
- Listen to advice
- Respect others
- Be a team worker and a team leader
- Improve your language and adaptation skills with internships abroad
- Adapt to you sector's dress code
- During your studies and work experiences, create a network of people that could be useful to you in the future



We wish to thank :

- The French Comenius Agency 2.E.2.F for its financial support
- Mr Nabet (regional manager FT-Orange) and Mr Fourmon (Champagne Joseph Perrier)
- Mrs Delphine Lagler, our school librarian
- Mrs Dufraisse (English teacher) and her students

Mrs Cabartier's 1S English class

