

## **3 Business Strategies in International contexts**

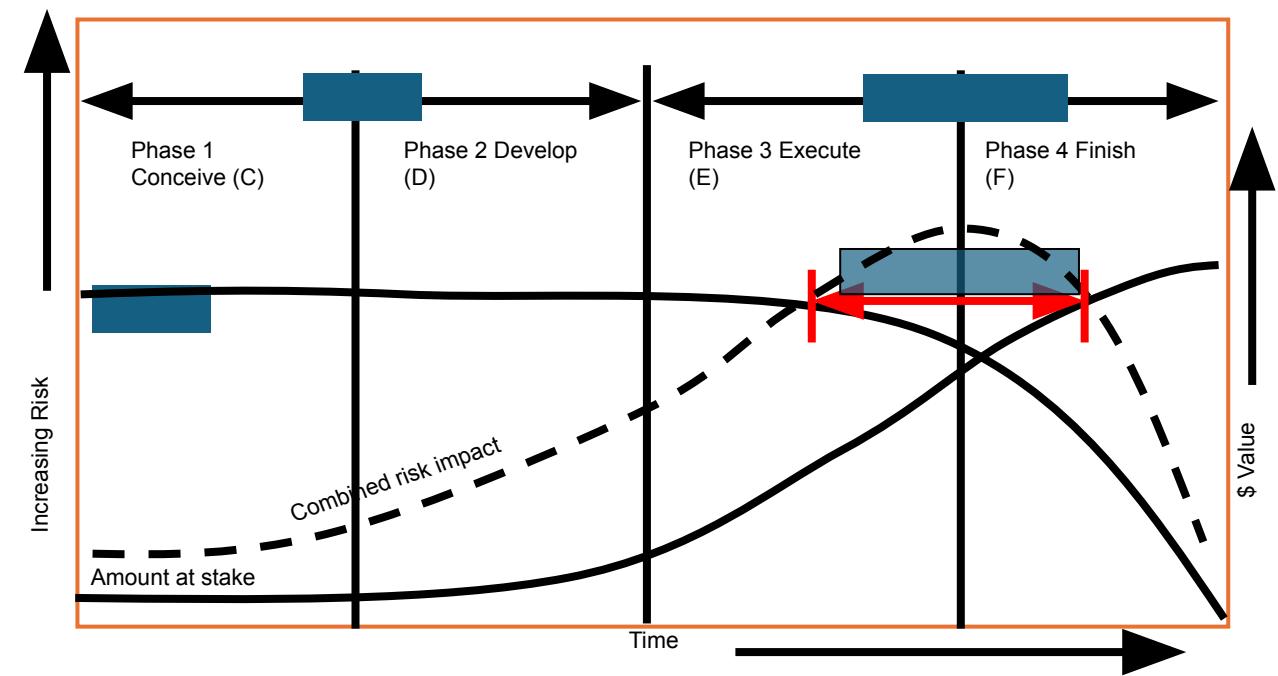
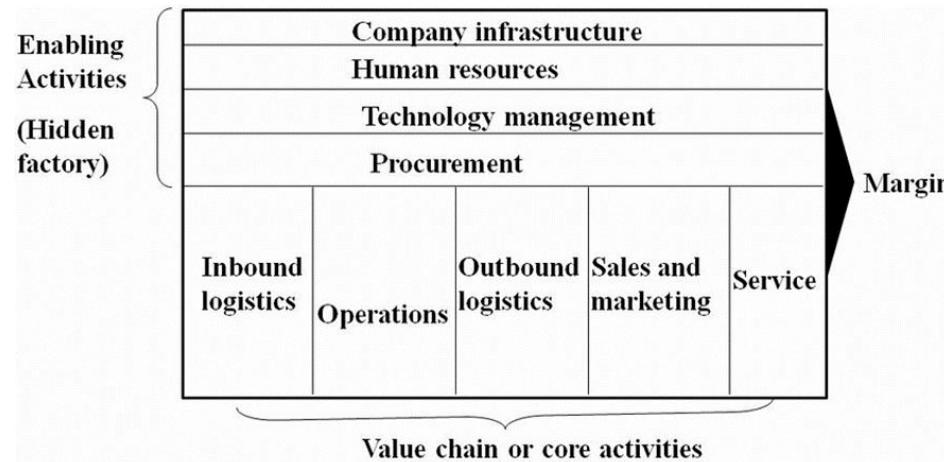
**Prof. Dr. Geoffrey Ditta  
Complutense  
UNIVERSITY**



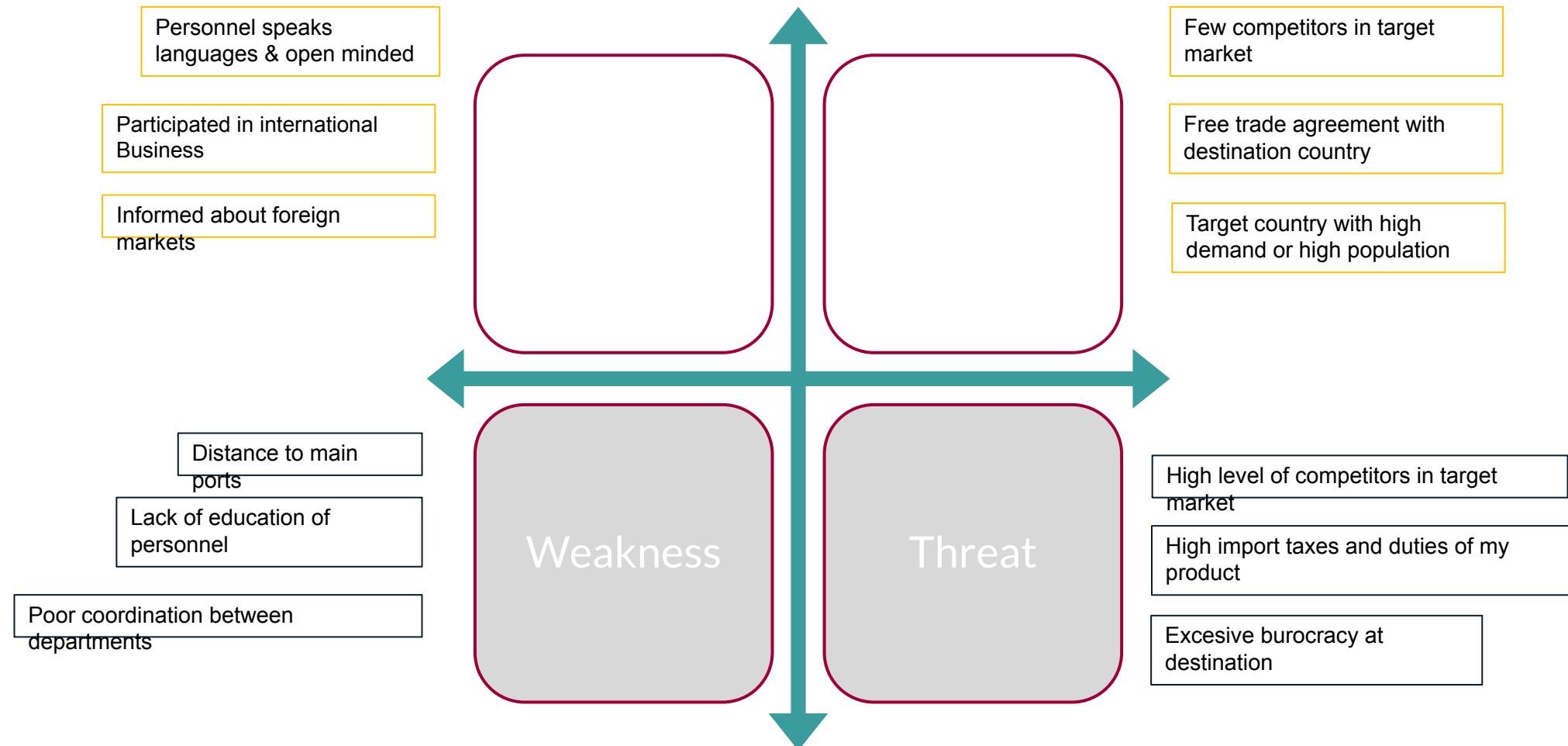
# The development of internationalization strategies

- Internationalization is emerging as one of the drivers of trade development, as local companies with the resources to internationalize their activities offer themselves significant opportunities for **economic growth**

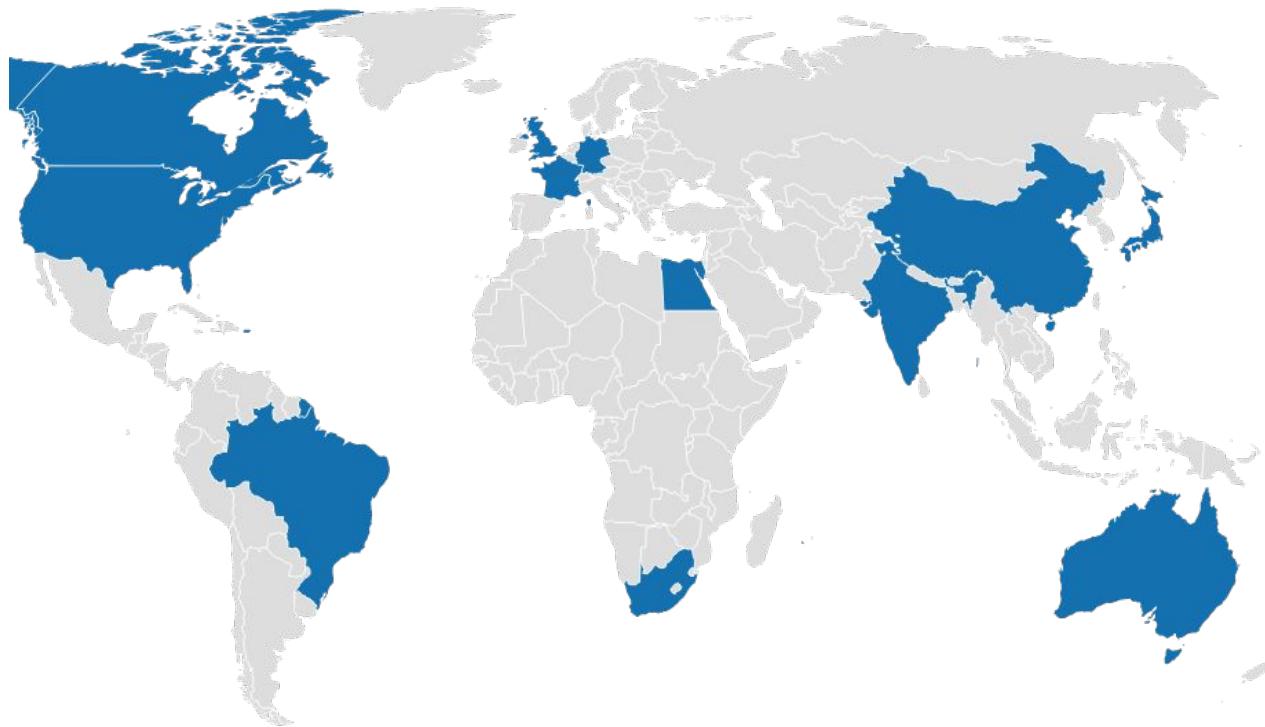
# Internationalization Vs Amount at Stake



# International SWOT Analysis

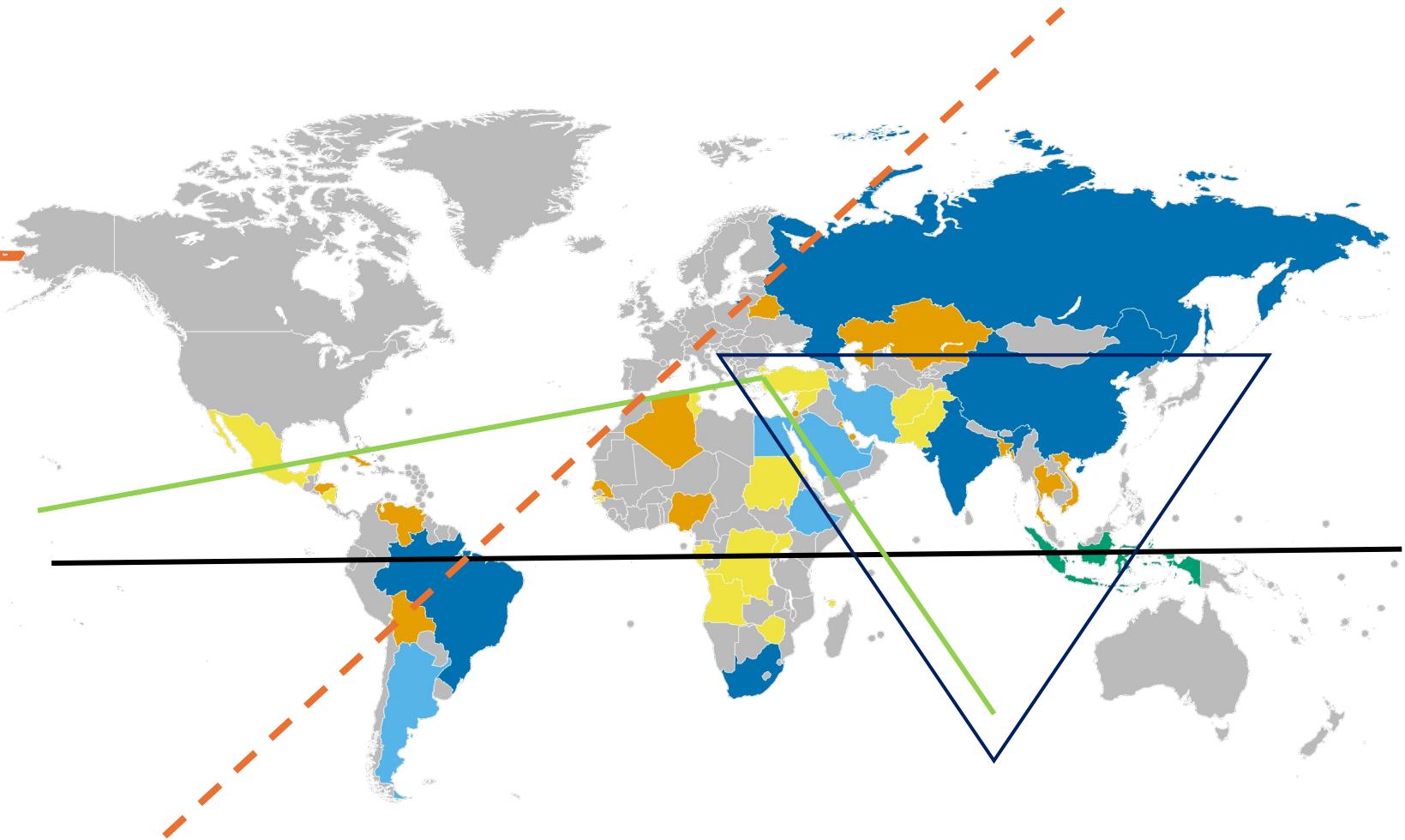


# International Business Simulation: Market Entry - Overview



- In the Market Entry simulation, you are in charge of managing the international strategy and operations. You manage all of the company's business *outside* your home country.
- After choosing a home country, review the country information and news for the year before making decisions on:
  - Countries to enter, grow or exit
  - Entry Modes
  - Local Marketing decisions

- Where to expand



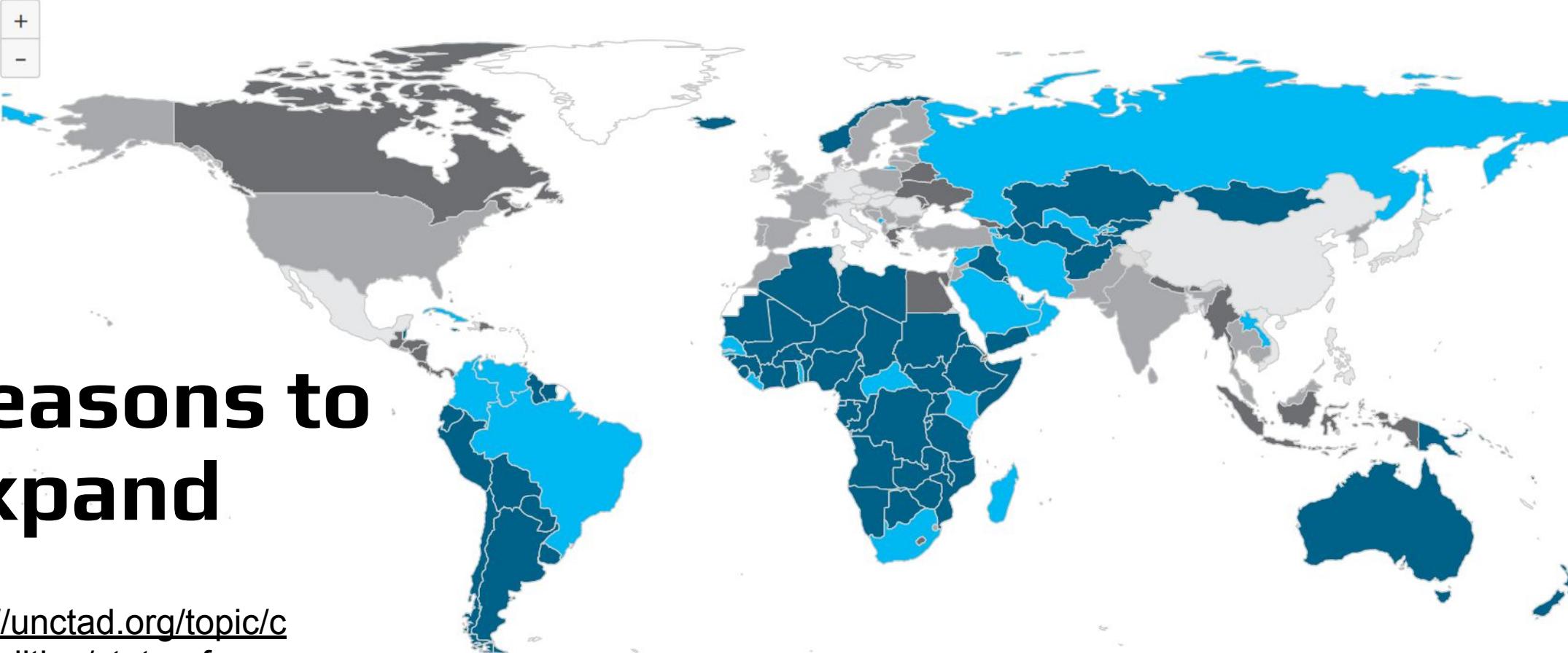
ALL COMMODITIES

AGRICULTURE

ENERGY

MINING

World commodity export dependence, 2019-2021



# Reasons to expand

<https://unctad.org/topic/commodities/state-of-commodity-dependence>

# Creating a Project Organization

- **Define who is going to do what**

- Define roles and responsibilities
- Identify people and resources, ensure their commitment to the project
- Identify a project leader, specify their authority and responsibilities

- **Important questions:**

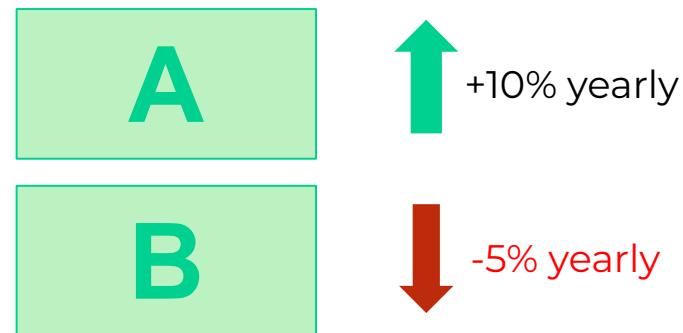
- Who is the project manager? What decisions are within the PM's area of authority? Is this authority sufficient to carry out the project?
- Who is on the team? Fulltime or part-time? What are their areas of expertise? Their roles?
- Who is the project sponsor? Are they at a sufficiently high level in the organization to provide the project with the support it needs to have a good chance of success?

- Create your own organization. 5 departments, finance, marketing, accounting, production . . . 20 employees

- Master the impact of the most frequent business decisions on the 3 financial statements of a company: **Income Statement, Balance sheet, Cash flow statement**
- Build up and use a comprehensive set of **financial performance indicators** to assess and improve a company's performance
- Make decisions to optimize **cash generation**

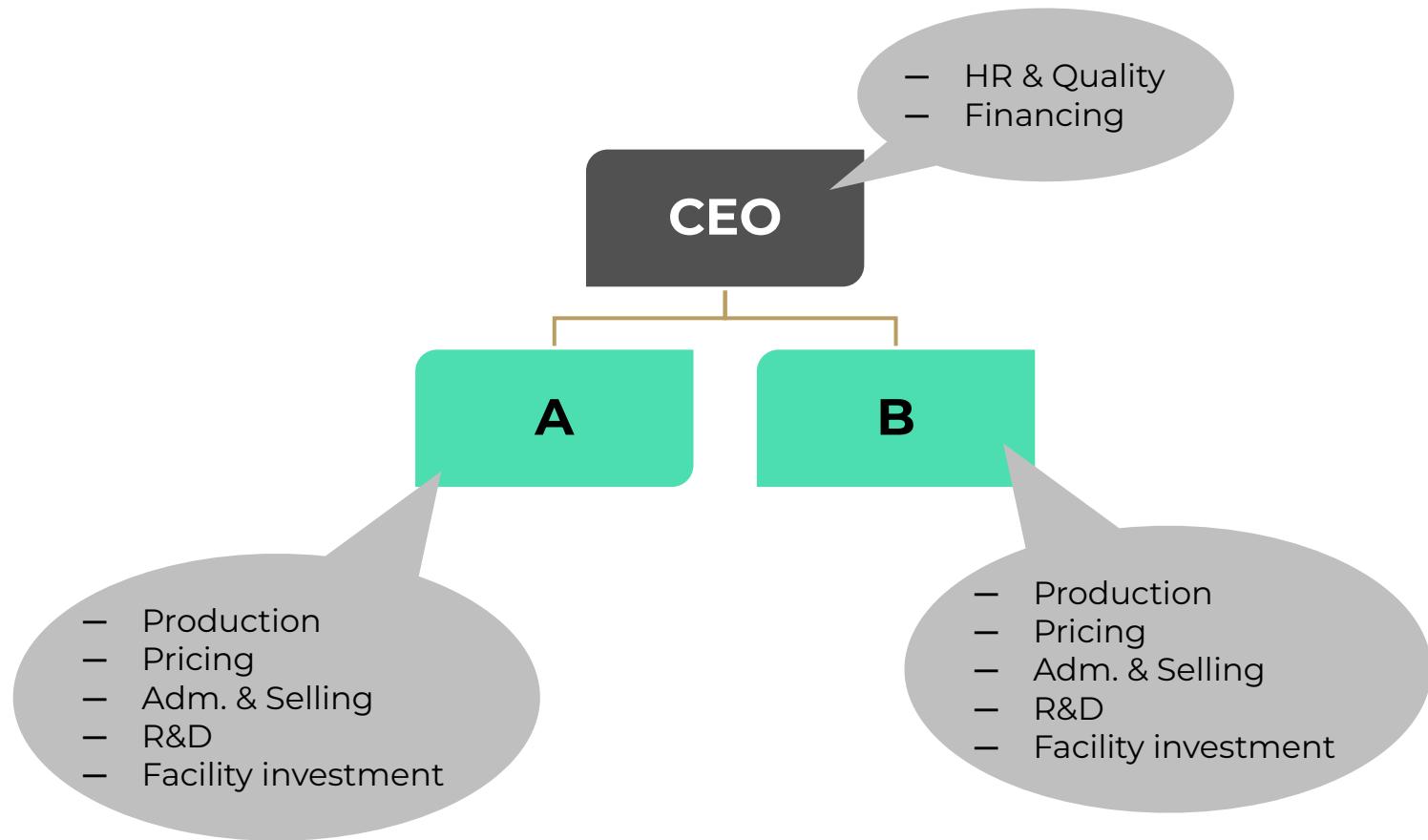
## The potential size of each market depends on:

- The market **growth rate expected** in each industry



- The economy (**Business index**)
- The **prices** offered by the different competing companies
- The **quantities** of products available for sale
- The **administrative & selling expenses**, i.e. sales & marketing efforts
- The **Research & Development expenses** to create product appeal

# Decisions at business unit and CEO levels



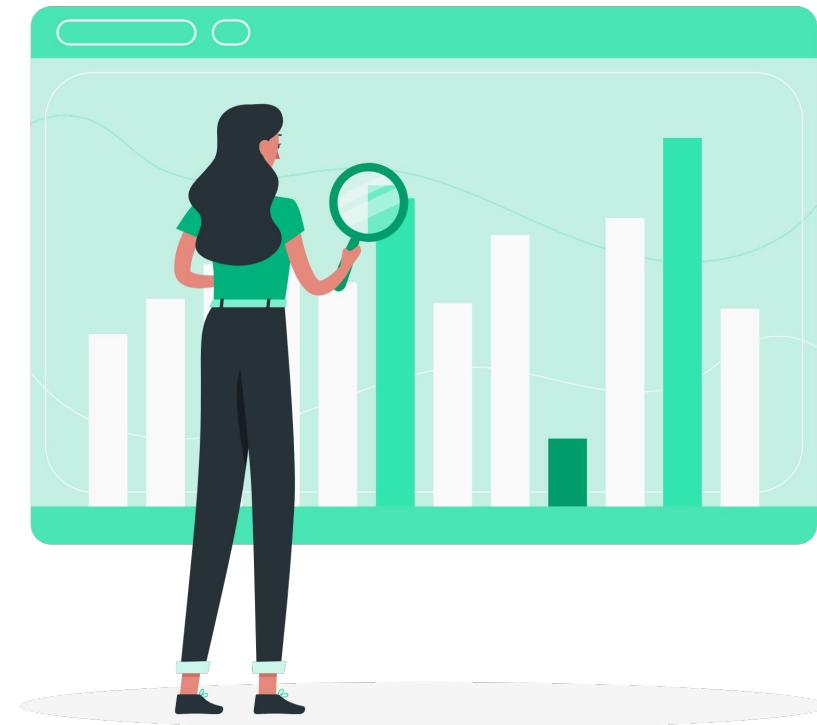
# Research and development

Research & Development relates to

- Improving the **product attractiveness** to customers (intrinsic features)
- Decreasing the **manufacturing costs**: “design-to-cost” & “design for manufacturability”

Money invested in R&D has both

- An **immediate** effect
- A **cumulative** effect



# Human resources and quality

HR & Quality relates to

- **People** – Selection, Training, Career Development Plan...
- **Tools** – IT & Telecom

It has a positive **impact on Employee Morale** by improving employee's confidence in their company

It **improves effectiveness** of *all* business processes, thus enhancing the effectiveness of

- Marketing
- Research & Development
- Production

Money spent in HR & Quality takes **one period to be effective**