

Selecting and managing entry modes

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Contents

- Please Read Me
- Purpose
- Entry modes for international markets
- Exporting goods in Colombia
- Importing goods in Colombia
- Franchising in Colombia
- Turnkey project and Joint venture: cement plant Río Claro (Sonsón, Colombia) case study
- Acknowledgments
- References

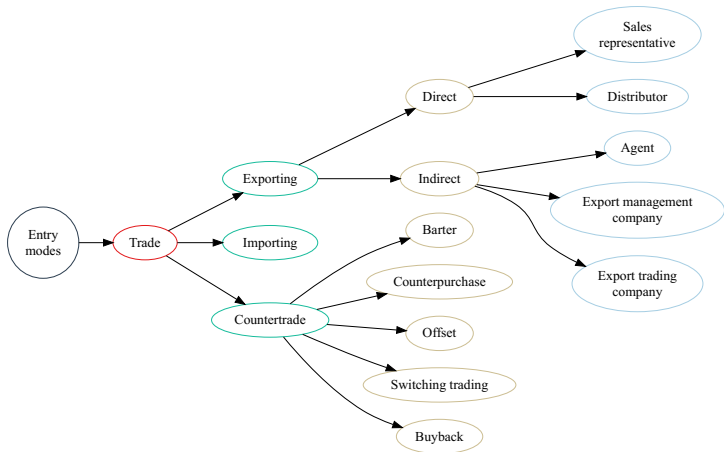
Please Read Me

- Check the message **Welcome greeting** published in the News Bulletin Board.
- Dear student please edit your profile uploading a photo where your face is clearly visible.
- The purpose of the virtual meetings is to answer questions and not to make a summary of the study material.
- This presentation is based on (Wild and Wild 2020, Chapter 13)

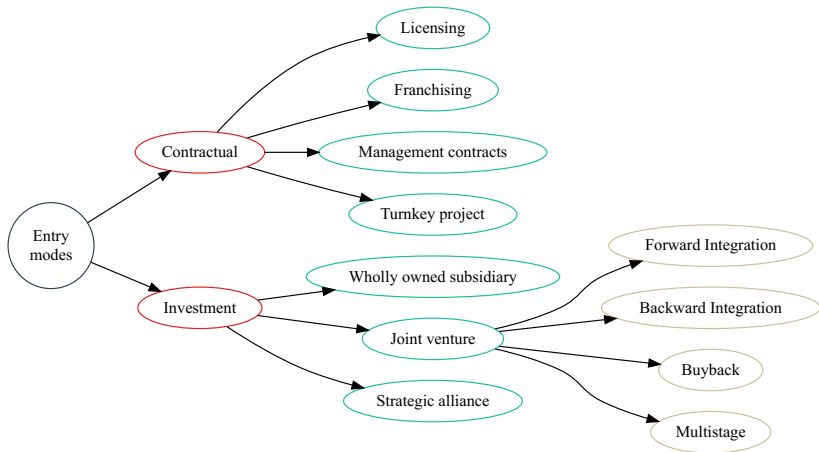
Purpose

Introduce the students to the different entry modes companies use to do international business and participate directly into the international markets

Entry modes for international markets



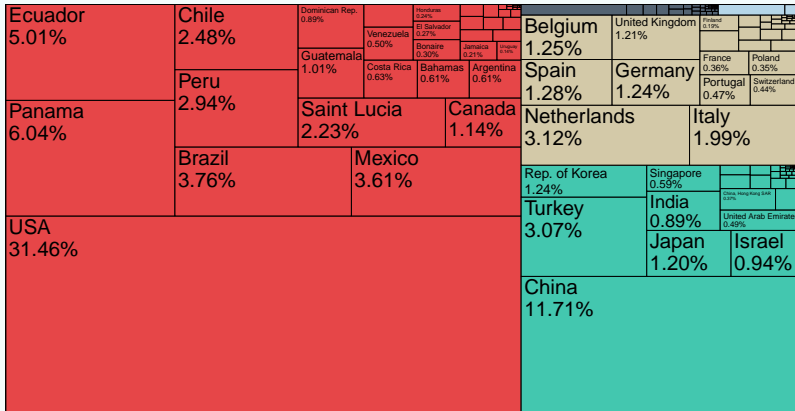
Entry modes for international markets



Exporting goods in Colombia

Colombia goods exports by destination as percent of total exports: year 2019

Territories excluded: Free zones, British Indian Ocean Territory, Areas not elsewhere specified
and other Asia areas not elsewhere specified,
Products excluded: exports of services are not included



Africa
 Americas
 Asia
 Europe
 Oceania

Source: United Nations International Trade Statistics Database (UN Comtrade).
Last update: 2021-02-26

Exporting goods in Colombia¹

Table 1: Top 10 companies according to exports (FOB) in 2019

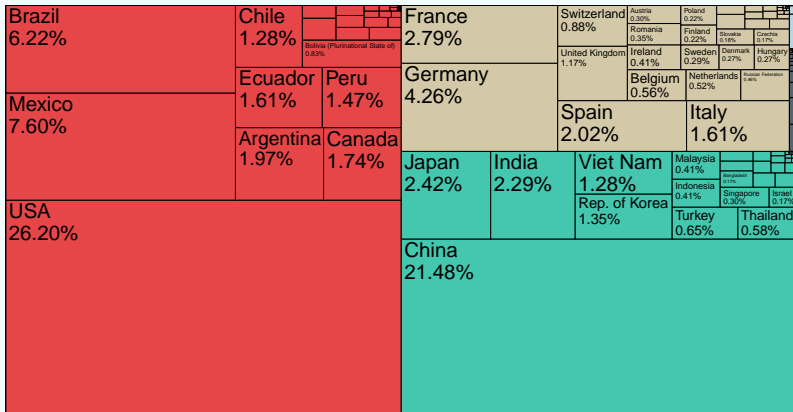
NIT	Name	Exports (US dollars)
899999068	ECOPETROL S.A.	\$8,974,729,148
800021308	DRUMMOND LTD	\$2,095,217,160
900112515	REFINERIA DE CARTAGENA S.A.S - REFICAR	\$1,801,029,929
830126302	FRONTERA ENERGY COLOMBIA CORP., SUCURSAL COLOMBIA	\$1,224,868,061
900585067	C.I. TRAFIGURA PETROLEUM COLOMBIA S.A.S.	\$1,153,582,401
860069804	CARBONES DEL CERREJON LIMITED	\$999,209,586
860041312	C.I. PRODECO S.A.	\$739,323,379
860069378	CERRO MATOSO S.A.	\$545,023,756
900473830	GUNVOR COLOMBIA C I S.A.S.	\$536,862,760
830078038	CERREJON ZONA NORTE S. A.	\$479,119,092

¹Check out the full data set in <https://sitios.dane.gov.co/anda-index/> > Economía > Comercio internacional > Estadísticas de exportaciones > Estadísticas de Exportaciones - EXPO - 2011 A 2020 > Expo_2019

Importing goods in Colombia

Colombia goods imports by origin as percent of total exports: year 2019

Territories excluded: Free zones, British Indian Ocean Territory, Colombia
other Asia areas not elsewhere specified and French Southern and Antarctic Lands
Products excluded: exports of services are not included



Africa Americas Asia Europe Oceania

Source: United Nations International Trade Statistics Database (UN Comtrade).
Last update: 2021-02-26

Importing goods in Colombia²

Table 2: Top 10 companies according to imports (CIF) in 2019

NIT	Name	Imports (US dollars)
899999068	ECOPETROL S.A.	\$3,025,577,036
830028931	SAMSUNG ELECTRONICS COLOMBIA S.A.	\$841,240,530
860025792	RENAULT SOCIEDAD DE FABRICACION DE AUTOMOTORES S.A.S.	\$560,137,485
890900943	COLOMBIANA DE COMERCIO S.A.	\$469,909,746
900313349	FAST COLOMBIA S.A.S	\$461,443,610
890100577	AEROVIAS DEL CONTINENTE AMERICANO S.A. AVIANCA	\$454,389,393
860002304	GENERAL MOTORS COLMOTORES S A	\$440,612,131
900112515	REFINERIA DE CARTAGENA S.A.S	\$437,576,811
860069804	CARBONES DEL CERREJON LIMITED	\$422,060,907
800153993	COMUNICACION CELULAR S A COMCEL S A	\$367,870,988

²Check out the full data set in <https://sitios.dane.gov.co/anda-index/> > Economía > Comercio internacional > Estadísticas de importaciones > Estadísticas de Importaciones - IMPO - 2012 A 2020 > Impo_2019

Franchising in Colombia

- Not explicit regulated by any local law or Andean regulation (Reyes 2016)
 - Colombian Civil Code, Article 1602: franchisor and franchisee are free to perform a franchising relationship
 - Franchisor should register her trademarks, logos and slogans in agreement with the Andean Decision 486 of 2000³
- Colfranquicias - Camara Colombiana de Franquicias:
<https://www.colfranquicias.com/>
 - Franchises
 - Consultants
 - Suppliers

³It regulates the Common Regime on Industrial Property in Colombia

Turnkey project and Joint venture: cement plant Río Claro (Sonsón, Colombia) case study

- Construction of a cement plant in Sonsón, Colombia⁴
 - Production capacity:
 - 3150 tons per day of clinker
 - 1.35 million tons of cement per year
 - Cost
 - 238 million USD (224.6 million EUR)
 - Creation of Jobs
 - 800 jobs in the course of its construction
 - 220 direct and 250 indirect jobs when it becomes fully operational

⁴(Rowland 2017)

Turnkey project and Joint venture: cement plant Río Claro (Sonsón, Colombia) case study

- Commissioned by Ecocementos S.A.S
 - Joint venture between Corona (Colombia) and Cementos Molins (Spain)
- Construction company
 - OHL Industrial (Spain)
- Equipment supplier company
 - FLSmidth (Denmark)

Acknowledgments

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- To the taxpayers of Colombia and the **UMNG students** who pay my salary
- To the **Business Science** and **R4DS Online Learning** communities where I learn **R**
- To the **R Core Team**, the creators of **RStudio IDE** and the authors and maintainers of the packages **tidyverse**, **knitr**, **kableExtra**, **tidyquant**, **comtradr**, **countrycode**, **treemapify**, **fs**, **DiagrammeR** and **tinytex** for allowing me to access these tools without paying for a license
- To the **Linux kernel community** for allowing me the possibility to use some **Linux distributions** as my main **OS** without paying for a license

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