

# Selecting and managing entry modes

Luis Francisco Gomez Lopez

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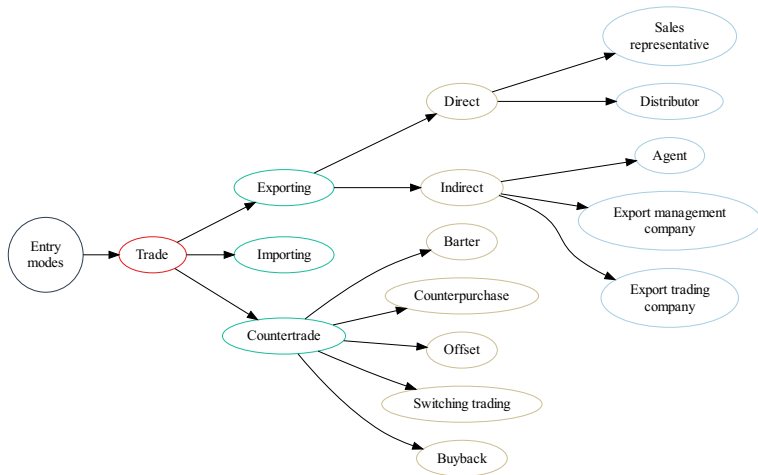
# Please Read Me

- 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, chap. 13)

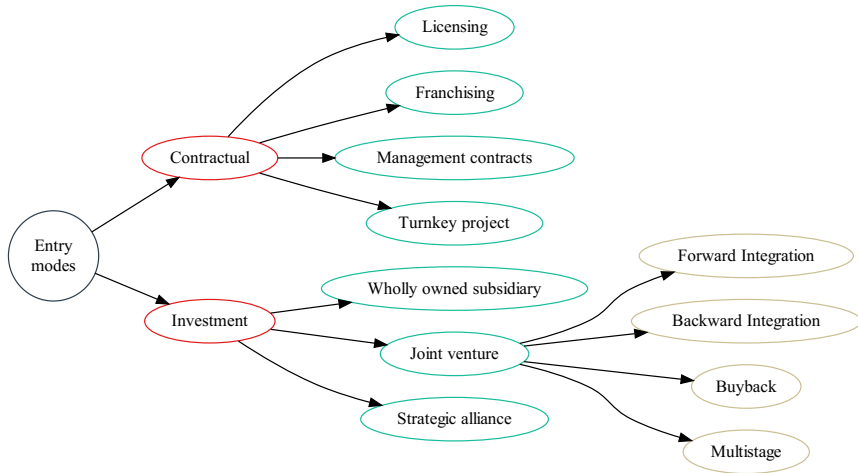
# Purpose

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



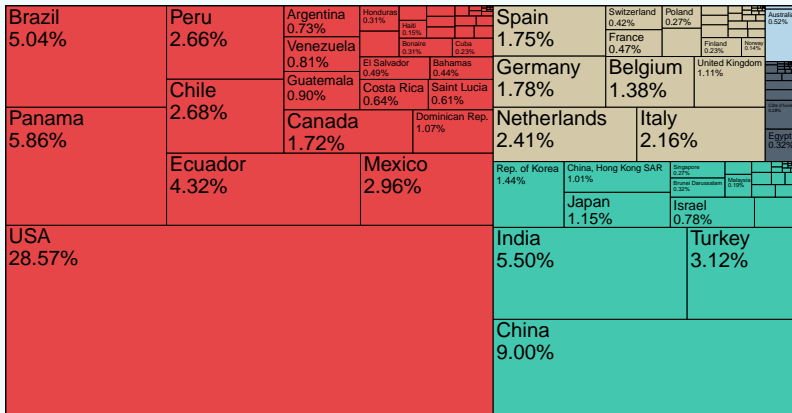
# Entry modes for international markets



# Exporting goods in Colombia

## Colombia goods exports by destination as percent of total exports: year 2021

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: 2023-01-07

# Exporting goods in Colombia<sup>1</sup>

**Table 1:** Top 10 companies according to exports (FOB) in 2021

NIT	Name	Exports (US dollars)
899999068	ECOPETROL S.A.	\$9,282,907,105
800021308	DRUMMOND LTD	\$2,364,317,682
900112515	REFINERIA DE CARTAGENA S.A.S - REFICAR	\$1,249,366,287
860069804	CARBONES DEL CERREJON LIMITED	\$1,196,097,298
900585067	C.I. TRAFIGURA PETROLEUM COLOMBIA S.A.S.	\$1,054,091,357
830126302	FRONTERA ENERGY COLOMBIA CORP., SUCURSAL COLOMBIA	\$786,830,958
860007538	FEDERACION NACIONAL DE CAFETEROS DE COLOMBIA	\$627,395,832
800059470	ESENTTIA S.A.	\$565,874,346
830078038	CERREJON ZONA NORTE S. A.	\$529,734,588
860069378	CERRO MATOSO S.A.	\$528,480,240

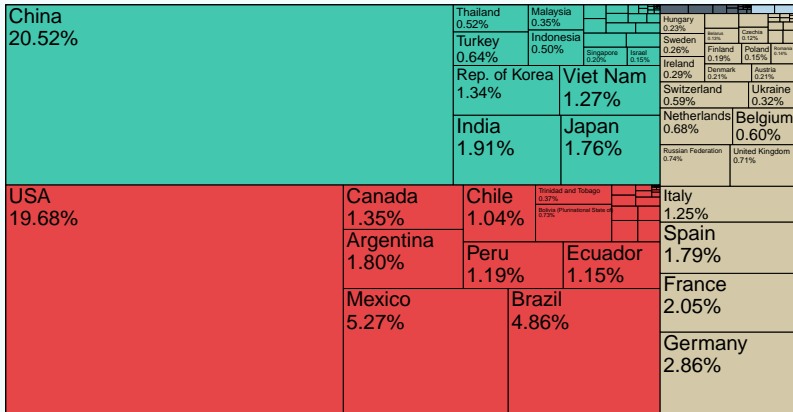
<sup>1</sup>Check out the full data set in <https://www.dane.gov.co/> > Datos abiertos Microdatos y Metadatos > Comercio internacional > Estadísticas de Exportaciones - EXPO - 2011 A 2022 > Obtener Microdatos > Expo\_2021



# Importing goods in Colombia

## Colombia goods imports by origin as percent of total exports: year 2021

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: 2022-10-06

# Importing goods in Colombia<sup>2</sup>

**Table 2:** Top 10 companies according to imports (CIF) in 2021

NIT	Name	Imports (US dollars)
899999068	ECOPETROL S A	\$2,599,898,095
830028931	SAMSUNG ELECTRONICS COLOMBIA S.A.	\$885,269,284
900978341	FONDO NACIONAL DE GESTION DEL RIESGO DE DESASTRES	\$852,206,648
800059470	ESENTTIA S.A.	\$674,747,273
890900943	COLOMBIANA DE COMERCIO S.A.	\$664,508,647
890100577	AEROVIAS DEL CONTINENTE AMERICANO S.A. AVIANCA	\$589,262,458
860007277	MEXICHEM RESINAS COLOMBIA S.A. S.	\$483,387,671
860025792	RENAULT SOCIEDAD DE FABRICACION DE AUTOMOTORES S.A.S.	\$439,311,122
800153993	COMUNICACION CELULAR S A COMCEL S A	\$436,720,669
900780510	AUTOMOTORES TOYOTA COLOMBIA SAS	\$431,990,239

<sup>2</sup>Check out the full data set in <https://www.dane.gov.co/> > Datos abiertos Microdatos y Metadatos > Comercio internacional > Estadísticas de Importaciones - IMPO - 2012 A 2022 > Obtener Microdatos > Impo\_2021\_1 e Impo\_2021\_1

# 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 2000<sup>3</sup>
- Colfranquicias - Camara Colombiana de Franquicias:  
<https://www.colfranquicias.com/>
  - Franchises
  - Consultants
  - Suppliers

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<sup>3</sup>It 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, Colombia<sup>4</sup>
  - 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

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<sup>4</sup>(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

- To my family that supports me
- 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

# References

- Reyes, José Luis. 2016. "A Primer on Franchising in Colombia."  
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