Entry Modes with examples:

Exporting and Importing:

- In this mode, a company sells its products to customers in another country (exporting) or buys goods from a foreign country to sell locally (importing).
- This is a straightforward way to enter a new market with minimal investment, as the company doesn't need to set up facilities abroad.
- **Example**: A U.S.-based car manufacturer exports cars to Europe to reach new customers. Meanwhile, a U.S. coffee shop imports high-quality Colombian coffee beans to sell to its local customers, adding an international appeal.

Contract Manufacturing:

- The company outsources production to a foreign manufacturer but typically handles marketing, sales, and distribution.
- This approach helps save on manufacturing costs by using cheaper labor or resources available in another country.
- **Example**: Nike contracts factories in countries like Vietnam and Indonesia to produce its shoes and apparel, while Nike manages the brand and sells the products globally. This setup allows Nike to focus on its core competencies—design and marketing—while reducing production costs.

Licensing:

- Licensing lets a company (licensor) grant permission to a foreign firm (licensee) to use its patents, trademarks, technology, or other intellectual property in exchange for fees or royalties.
- It's a low-risk way to expand internationally, as the licensee handles local operations.
- **Example**: Disney licenses its characters, like Mickey Mouse, to companies in Japan to create and sell Disney-branded toys and clothing. Disney receives a royalty from each sale, while the Japanese companies take on production and distribution

Here's a simpler version:

Franchising:

- **In franchising, a company (the franchisor) allows a local business (the franchisee) in another country to use its brand and business model.**
- **The franchisor provides a successful business plan, training, and support, while the franchisee manages daily operations.**
- **Example: McDonald's lets local owners run restaurants under its brand in many countries, ensuring a consistent experience worldwide.**

Wholly Owned Subsidiary:

- **A company sets up or buys a business in another country and fully owns it, giving complete control over operations.**
- **This can be done by starting a new company (called a Greenfield investment) or buying an existing one.**
- **Example: BMW owns a factory in the U.S. where it builds and sells cars, allowing BMW to control quality, make fast decisions, and keep all profits from its U.S. business.**

Here's an expanded, simplified explanation of the BCG Matrix and its limitations:

What is the BCG Matrix?

The BCG Matrix is a tool that helps companies decide where to focus their resources and investment by sorting their products or services into four main categories. This classification is based on two things:

1. **Market Share: How big the product's share of the market is compared to competitors.**
2. **Market Growth: How fast the product's market is growing.**

The Four Categories in the BCG Matrix

1. **Stars:**
    - **Definition: These products have a high market share and are in a fast-growing market. This means they're popular and in-demand.**
    - **Investment: Companies should continue investing in Stars because they're valuable assets and have great growth potential.**
    - **Goal: Ideally, as the market growth slows, Stars will eventually become Cash Cows, providing steady income.**
    - **Example: Apple's iPhone fits here since it's a top product in the growing smartphone market.**
2. **Cash Cows:**
    - **Definition: These products have a high market share but are in slow-growing or mature markets. They're still very profitable but don't need much new investment.**
    - **Investment: Since Cash Cows bring in stable income without much cost, companies can use profits from Cash Cows to fund other areas, like Stars or Question Marks.**
    - **Goal: Keep these products strong, as they are essential sources of profit.**
    - **Example: Apple's laptops are Cash Cows, as they are well-established and continue to be profitable even though the market isn't growing fast.**
3. **Question Marks:**

- Definition: These products are in high-growth markets but have low market share. They may have potential, but they're not yet established.
- Investment: Question Marks require a lot of money to improve market share. Companies need to decide if it's worth investing in them heavily to try to turn them into Stars.
- Goal: Identify which Question Marks have the most potential and put in the necessary investment, or cut losses if they don't perform.
- Example: Apple's AirPods fit here. They're in a fast-growing market but haven't completely dominated, so Apple might invest more to increase market share.

4. Dogs:
    - Definition: These products have both low market share and low growth. They're not very profitable and don't have much potential for future growth.
    - Investment: Companies usually avoid putting too much money into Dogs, as they're unlikely to generate high returns. Sometimes, companies even phase them out.
    - Goal: Maintain only if strategically important, but often companies will cut or phase out Dogs.
    - Example: Apple's iPods are Dogs. The product's sales have declined as newer technology, like iPhones, has replaced its use.

Participants in Strategic Evaluation:

1. Board of Directors
    - The Board checks if the company's strategy is on track, but how much control they have varies by company.
    - Sometimes, others like the CEO, a family council, headquarters, or a government ministry may take over this role.
2. Chief Executive Officer (CEO)
    - The Board usually reviews the CEO's performance based on how well the company is doing and its long-term growth.
    - In family-owned or private companies, a family council or main owners may review the CEO.
3. Strategic Business Unit (SBU) or Profit Center Heads
    - These managers keep track of performance within their part of the business and report to top management.
    - Their reports help leaders understand how different parts of the company are doing.
4. Audit and Executive Committees
    - These committees are set up to regularly check the company's performance.

- They make sure finances and operations are running as planned.

5. **Corporate Planning Staff**
    - This team gathers data to support the company's strategy.
    - They help managers make decisions by providing useful information and analysis.

Barriers to Evaluation

1. **Difficulties in Measurement**
    - Measuring performance accurately can be challenging due to unreliable methods, lack of clear goals, and outdated information systems.
    - Solutions: Use reliable methods, set clear goals, improve information systems, and use technology to get timely information.
2. **Resistance to Evaluation**
    - People may resist evaluation because it feels like control, or because they fear looking bad if results aren't positive.
    - Solutions: Keep communication open and stay objective to prevent bias, especially for those who designed the strategy.
3. **Short-term Focus**
    - Managers often focus on immediate results rather than the long-term impact on strategy.
    - Solution: Shift focus toward long-term outcomes to avoid short-term thinking.
4. **Efficiency vs. Effectiveness**
    - Efficiency is about doing tasks correctly, while effectiveness is about doing the right tasks. Managers often confuse the two, which can lead to rewarding the wrong type of performance.
    - Solution: Emphasize effectiveness (doing the right things) rather than just efficiency.

Strategic Control:

Premise Control:

- Every strategy is based on certain assumptions about the environment, like market trends or government policies.
- Premise control checks if these assumptions are still valid.
- If conditions change (e.g., a new competitor or policy shift), this control signals it's time to revisit the strategy to see if it still makes sense.

Implementation Control:

- **This type of control ensures that each part of a strategy, like individual projects or initiatives, is on track to meet the organization's goals.**
- **It involves checking in on the progress of different tasks and seeing if they're delivering the expected results.**
- **If a project isn't moving toward the goal as planned, resources or actions may need to be adjusted to get back on track.**

Strategic Surveillance:

- **Unlike the specific focus of premise or implementation control, strategic surveillance is a broad monitoring system.**
- **It keeps an eye on a wide range of internal and external events (like market shifts or technological changes) that might affect the strategy.**
- **The goal is to detect early signs of risks or opportunities that could impact the organization's plans.**

Special Alert Control:

- **This is a rapid response system for unexpected, high-impact events (like natural disasters, major regulatory changes, or a sudden competitor move).**
- **When a big surprise happens, special alert control activates a crisis response plan to quickly assess the situation.**
- **This helps organizations react promptly to protect their interests and adjust their strategies if needed.**