

Strategic Global Expansion Project

Directions

Every organization conducts research to plan and implement a business idea. This project is designed to provide the foundation for an international business plan.

- Select a product or service that you intend to market to a specific nation. The selection has to be approved by the instructor.
- The project should focus on both the potential benefits and liabilities to overcome the proposed investment.
- The report should focus on both internal and external factors, examining the political/legal, economic, and socio-cultural factors.
- The complete report should adhere to the given Table of Contents and not exceed 25 pages.

Table of Contents

1. Planning the Global Business Enterprise



- a. Identifying Global Business Opportunities
 - Determine potential international markets for proposed goods and/or services
- b. Analyzing International Competitors
 - Identify domestic and international companies involved in similar business global business activities
- c. Assessing the Geographic Environment
 - Examine geographic factors that affect the business environment of a nation
- d. Assessing the Economic Environment
 - Economic growth
 - Interest rates, monetary policy, and inflation rates
 - Unemployment policy
 - Taxation
- e. Assessing the Social-Cultural Environment
 - Demographics/population growth
 - Income distribution
 - Work/career attitudes/entrepreneurial spirit
 - Education level
 - Social institutions, customs, traditions, and beliefs influencing business
- f. Assessing the Political-Legal Environment
 - Tax policies
 - Contract enforcement laws
 - Employment laws
 - Environmental regulations
 - Consumer protection
 - Political stability

2. Organizing for Global Business Activities

a. Selecting a Global Company Structure

- Analyze different global business entry modes that a company might select when planning international business activities. Choose between exporting, turnkey projects, management contracting, licensing, franchising, contract manufacturing, joint venture, and wholly-owned subsidiaries. (In general, exporting has less risk than some of the other entry modes. The product or service, as well as the economic, social-cultural, and political-legal environment of the country, will influence an organization's entry mode.)
- Discuss the extent to which the organization will use centralization and decentralization. (Centralized organizations tend to offer standardized products or services with decisions made in upper levels of the organization. In contrast, decentralized organizations usually involve products or services that need to be adapted to various geographic, economic, social-cultural, and political-legal influences.)

b. Financing Sources for Global Business Operations

- **START-UP COSTS**
Identify expenses (and estimated amounts) that would be necessary when starting this global business enterprise. (Be sure to consider equipment, buildings, vehicles, infrastructure improvements, training costs, consultants, legal fees, and licenses.)
- **FINANCING SOURCES**
Identify financing sources for the enterprise. Consider different sources for funding this global business enterprise. (Large companies may sell stock, issue bonds, and obtain loans. Smaller organizations might make use of personal investors, small business loans, venture capital sources, or government-guaranteed loans.)

3. Implementing the Global Market Plan

a. Product and Target Market Planning for Foreign Markets

- Identify specific attributes and customer benefits for a proposed international product or service

b. Designing a Global Distribution Strategy

- Analyze distribution channels and intermediaries for global business operations

c. Planning a Global Promotion Strategy

- Suggest advertising messages, media and other promotional activities for an international enterprise

d. Selecting an International Pricing Strategy

- Recommend a global pricing strategy based on costs, market demand, competition, and economic environment

4. Measuring International Business Success

- **FINANCIAL GAINS**

Identify potential profit levels and other measures of financial success for this global business operation. (Commonly considered measurements of financial success include profits, return on investment, market share, sales growth.)

- **ECONOMIC BENEFITS**

Discuss positive economic contributions that this business operation might have for the host country. (Economic benefits may include improved infrastructure, creation of jobs, more efficient use of natural resources, or increased personal income.)

- **SOCIAL BENEFITS**

Determine improvements to the country's society that might result from the company's global business activities. (Positive social results might include improved employee training, expanded health care and other benefits for workers, or additional housing facilities.)

- **SOCIAL COSTS**

Describe the potential drawbacks for the host country that might result from this business venture. (Social costs of global business operations may include pollution, reduction in natural resources, or changes in traditions.)

5. Conclusion