**Global Business Plan Project**

1. **Identifying Global Business Opportunities**

**Learning Goals**

1. To assess factors that create international business opportunities
2. To identify potential global business opportunities for various foreign markets

**Purpose**

Some organizations attempt to expand their international operations by seeking foreign markets appropriate for existing products and services. Other enterprises assess foreign business environments in an attempt to meet needs in those markets.

In this first module, you will conduct a preliminary assessment of geographic, economic, social-cultural, and political-legal factors that create global business opportunities in foreign markets. Also, you should consider how technology could create new foreign business opportunities by expanding possibilities for production, marketing, and distribution of goods and services.

BACKGROUND

Global Business Opportunities

Potential foreign business opportunities may be viewed in two major categories:

1. Various country factors create international business opportunities. These include:
* Natural resources, agricultural products, or geographic factors (climate or terrain)
* Level of economic development and infrastructure
* Cultural characteristics, social activities, or demographic trends
* Changing political situations or legal factors
* Technology that may enhance production or distribution of an item
1. Existing companies attempting to expand into new markets around the world—List several possible global business opportunities that would be the basis for new or expanding international business operations. These business opportunities may be consumer goods or services; or organizational goods and services, sold to businesses, government agencies, nonprofit organizations, schools, hospitals, hotels, or other organizations.

Examples of global business opportunities include: processing of fresh fruit in Chile for distribution around the world; sale of water filtration systems in developing economies; sale of food products adapted to the tastes of different cultures; development of cellular telephone systems in countries with a weak communication infrastructure; and expansion of fast-food restaurants into countries with expanding economies.

 **Resources**

 Web links:

* Global Edge CyberSite: <http://www.globaledge.msu.edu/>
* Business Around the World Atlas: <https://highered.mcgraw-hill.com/sites/0078137217/student_view0/business_around_the_world.html>

(Works best with Firefox.)

**Conduct Research**

Collect data and information to use in formulating this aspect of your business plan by answering the following questions.

1. POTENTIAL MARKETS

Discuss one or more of the global business opportunities from above in terms of:

1. a specific product or service, including customer benefits; and
2. a potential market—a country that would be appropriate for this business opportunity.
3. ABSOLUTE AND COMPARATIVE ADVANTAGES

Analyze for the presence of an absolute or comparative advantage that might be related to a business opportunity in the country where the item will be produced or sold. Describe how this analysis might influence the success of your proposed business idea. (For example, the availability of natural resources can make a business opportunity cost efficient.)

1. BUSINESS OPPORTUNITY ANALYSIS

Compare two or more proposed business opportunities based on factors such as foreign market potential, start-up costs, and foreign business risks. (For example, a proposal to construct new highways may be appropriate for a developing economy. However, the risks in this market are probably greater than in an industrialized nation.)

 **Supplementary Activity**

 Research the international operations of a company doing business in several countries. Obtain information related to:

1. the products sold in various regions of the world;
2. current and planned business activities in specific regions of the world—Asia, Africa, Eastern Europe, Middle East, Latin America;
3. the company’s strengths and weaknesses related to global business activities;
4. future actions that might be suggested for the company’s international operations.

**E-Commerce Application**

Identify an online business application (such as providing product information, selling online, or ordering from suppliers) that would be appropriate in the proposed foreign market or that could enhance the promotion or distribution of your proposed business opportunity.

**Prepare Summary**

In a separate Word document, prepare a summary report entitled: Global Business Opportunities consisting of the following components:

1. An overview of geographic, economic, cultural, political, and technological factors that creates the proposed global business opportunity.
2. A description of the potential market for this product or service.
3. A synopsis of any absolute or comparative advantages (as applicable).
4. Recommend one or more foreign business opportunities (with a specific foreign market) for an existing company or a new enterprise. Provide evidence to support your proposal.

**View Sample Report**

The following project segments are EXAMPLES and SAMPLE MATERIALS. Please note:

1. these samples were selected from several student team projects at one school and are not intended to represent a particular level of quality, and DO NOT represent a complete project
2. the accuracy of content, data, and clarity of writing are NOT guaranteed; and
3. these samples may NOT BE DUPLICATED.

SUBWAY’s mission is to provide Brazilian consumers with a healthy and quick alternative in the fast-food market. By providing made-to-order sandwiches, we are meeting the needs of the ever-growing, fast-paced and health-conscious Latin American community. Our goal is to provide value, service and convenience to our customers. SUBWAY plans to equal or exceed the number of outlets operated by McDonald’s, currently Latin America’s largest fast-food company. With our system and operational strengths, dedicated personnel are willing to meet the expectations of consumers. We believe that our SUBWAY franchise will continue to grow and be successful in the Latin American market.

SUBWAY is the largest submarine sandwich chain in the world and is rapidly expanding internationally. SUBWAY has more than 14,100 stores in over 73 countries, making it the second largest restaurant chain overall. The brand was introduced in 1974 and today, all locations are franchised. From 1987 to 1999, the SUBWAY franchise has been ranked #1 Submarine Sandwich franchise in Entrepreneur’s Franchise 500 listing. For eight times in those past twelve years the SUBWAY system was #1 franchise overall, beating out other fast food franchising giants and all other franchises. In Entrepreneur International’s 1999 Top 200 ranking, SUBWAY was placed third out of the world’s top 200 franchises. Latin America is among the growing markets for SUBWAY franchises, with over 215 stores already in this area.

The Happy Harbor Company’s mission is to improve global exporting and importing that enhances economic activity. The objectives of the company are to construct profitable harbors that will help boost the country’s trading capacities, increase trade between countries with already existing harbors, and create jobs and a higher standard of living for the people of Latin America.

The Happy Harbor Company is there so that countries that do business with Latin America do not have to think of how to get their goods into the countries and where the best harbors are located. The Happy Harbor Company provides the construction of the harbors and seaports for countries that are in need of better facilities for trading on their coastal borders. The company is also here to help companies in other countries to locate their goods. Latin America has a growing economic base and the Happy Harbor Company wants to be there to help not only the countries of Latin America, but also the many international companies that would benefit greatly from conducting business with the Latin American economy.

Translated from Spanish, our product name simply means “Good Health.” As we are a U.S. company entering into a foreign market, and, therefore, bound to meet with cultural differences, it is important that there be no confusion caused by complicated names and slogans lest we are faced with language and cultural problems. Our slogan is also quite simple, although it does have two slightly different, yet equally valid, translations. The first is simply “The vitamins for the whole world,” which stresses the multinational aspect of our operations. We wish to provide “Good Health,” literally and figuratively, to the entire world through our vitamins. The second, more slang-oriented, translation of our company’s slogan is “The vitamin for everyone.” This translation implies, and rightly so, that this is the vitamin for everyone. Indeed, our product is for everyone as it is a multi-vitamin that can be taken by adults, children, men, women, and so on. More, though, about the particulars of our fabulous product will be revealed later.