International Business Plan

A PRACTICAL GUIDE FOR EXPORTERS

GLOBALNEGOTIATOR
Business Publications

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International Business Plan
(Practical Guide for Companies).

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(PRACTICAL GUIDE FOR COMPANIES)

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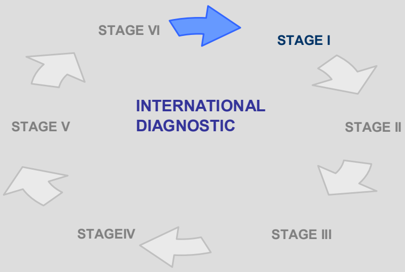
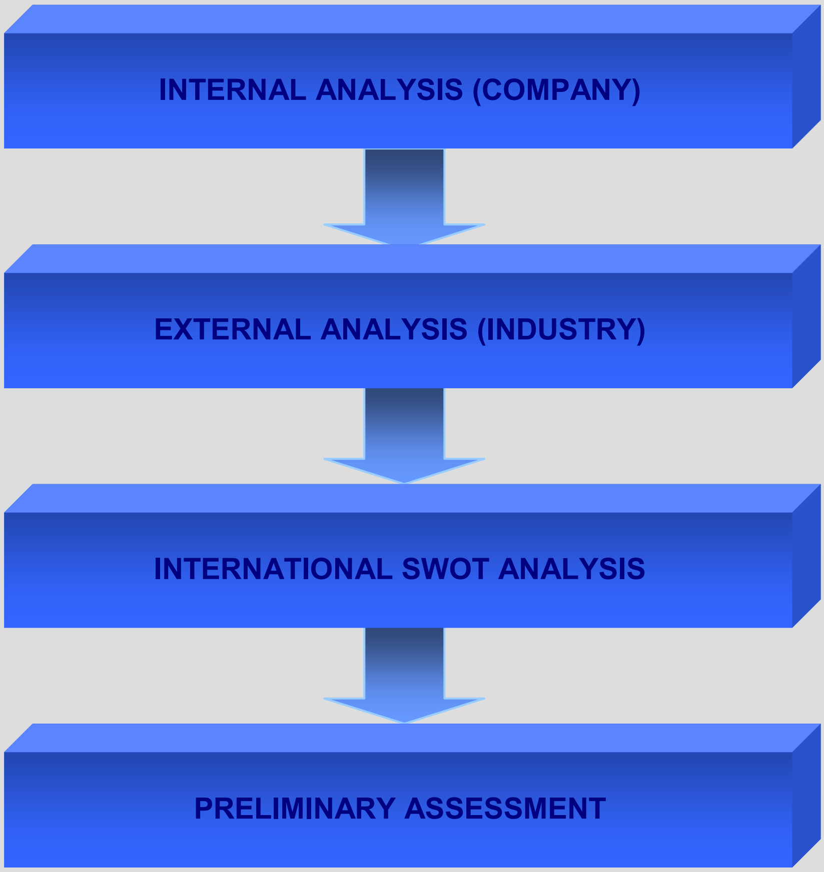


SECTION I
BACKGROUND ANALYSIS



1.1. Internal Analysis (company)

Classify the following competitive capacities of your company for international expansion; indicate those considered as strengths (insert "S") or as weaknesses (insert "W"). In the case where they are not affected significantly (insert "-"). With regards to the selected capacities add two other strengths and weaknesses of the company that are important for its international activity.

COMPETITIVE CAPACITIES	S,W or (-)
Geographical location of the company Available production capacity Level of technology Financial resources for current capital Financial resources for foreign investments Foreign market information Commercial network and contacts abroad International experience of human resources Knowledge of languages Corporate and brand image Motivation towards going international Decision making	

1.2 External Analysis (industry)

Classify the following factors of international and industry environment by selecting the factors which have a positive impact – opportunities, mark "O" – or negative impact – threats mark "T". In the case where there is no significant effect mark ("-"). Also add two other opportunities and threats of great importance for the international activity of the company.

ENVIRONMENTAL AND SECTOR FACTORS	O,T or (-)
Reduction of barriers (custom tariffs, quotas) to international trade Technical barriers to international trade Economic integration of countries (EU, NAFTA, ASEAN, MERCOSUR) Use of Internet for international business Improvement of the transport systems Level of maturity of the internal market Appearance of emerging markets as manufacturers Appearance of emerging markets as consumers Concentration of the ownership of the companies Increasing power of retail Appearance of new products Changes in consumer behaviour	

1.3 International SWOT Analysis

Classify by order of importance for your company the first three strengths, weaknesses, opportunities and threats that you have identified on the worksheets 1.1 and 1.2.

Order	STRENGTHS	WEAKNESSES
1		
2		
3		
Order	**OPPORTUNITIES**	**THREATS**
1		
2		
3		

1.4 Preliminary Assessment

From the analysis made on the previous worksheets indicate the five most important aspects that your company has to take into account in order to carry out this e process of internationalization.

1	
2	
3	
4	
5	

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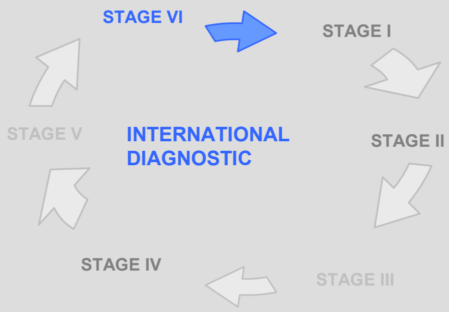
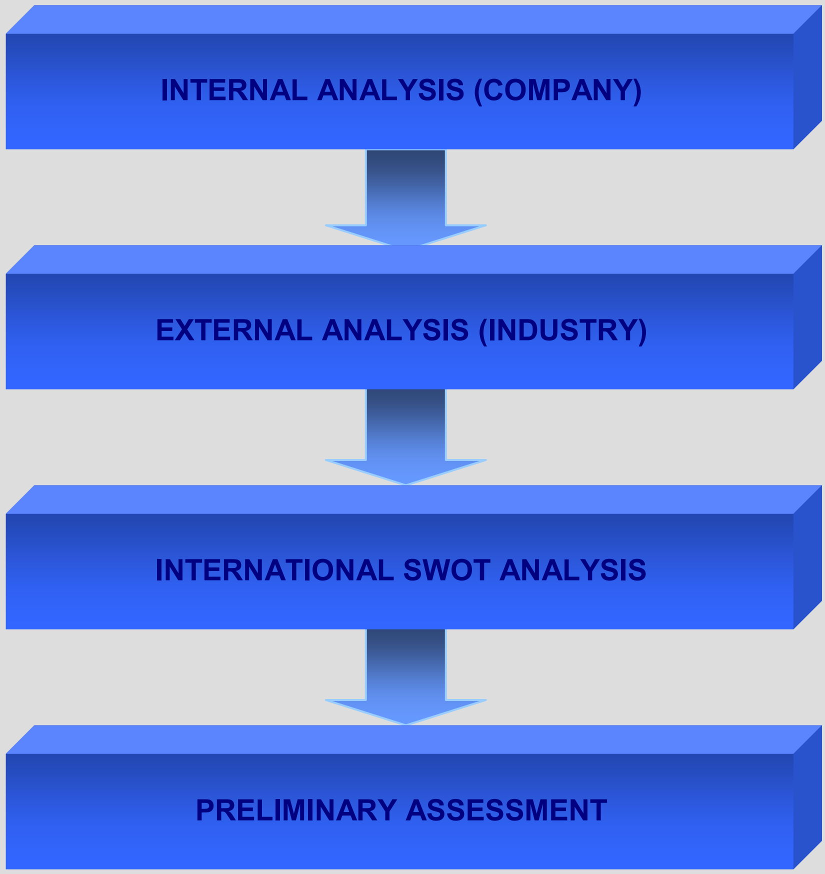
EXPLANATORY NOTES



SECTION I
BACKGROUND ANALYSIS



1.1. Internal analysis (company)

In order to make the most of your company's strengths and improve your weaknesses, the internationalisation plan begins with an analysis of the competitive capacities of the company in relation to the foreign markets in order to achieve profit maximisation.

Some strengths which make international success possible are:

- Achieve sufficient production capacity or surplus in order to satisfy an increase of demand in foreign commercial activities.

- Availability of a suitable level of technology and quality which allows you to take on the emerging market successfully.

- Availability of the necessary flexibility to adapt the product to the needs of certain foreign markets.

- The most common weaknesses of exporting companies are:

- Lack of resources to finance the current capital of the international operations

- Lack of knowledge and information about foreign market resources and the way to create an international commercial network

- Incapability to attain the suitable human resources for the export tasks – in terms of experience, knowledge of foreign trade and languages.

1.2 External Analysis (industry)

The external analysis leads to an identification of the economic, policies and social trends, which may affect the international evolution of the industry where the company plans to develop its activity.

Generally, companies do not have the capacity to influence in these trends; however one should know what they consist of:

- Negative trend: constitutes a threat; something companies have to confront.
- Positive trend: constitutes an opportunity to make the most of.

Below are some examples:

- Free trade: through the World Trade Organisation (WTO) and other international agreements the barriers to trade are been dismantled. Even though this creates a potential opportunity in increasing the accessibility to international markets for the exporter, this could also be a threat for other companies which are not capable to maintain a position in the domestic market and are increasingly more open to competition from foreign companies.

- Internet use: this is another factor which could affect the companies in many different ways. In some cases companies are using information technology to improve their operations in foreign markets. For example seeking importers through foreign trade searches, making offers onlinel or incorporating their products to marketplaces.

- Consolidation of emerging countries (South-East Asia, Latin-America, and North Africa): the penetration of products from these countries in the developed countries increases the level of competitiveness. Equally, the level of prosperity increases in these emerging countries, and so they are now priority target markets, especially in industrial and consumption products.

1.3 International SWOT Analysis

The SWOT analysis is a very useful tool to identify the key factors in the foreign and domestic environment. It is vital for the company in indicating exactly what to take into account to design their internationa strategy. This is distinguished through Strengths (S), Weaknesses (W), Opportunities (O), and Threats (T).

- The threats are factors of the international environment that are out of control. They can affect the accomplishment of the objectives of the Plan.

- The opportunities are factors of the international environment that favour the achievement of company's objectives.

- The strengths are internal factors of the company which will support the success of internationalisation.

- The weaknesses are also internal factors which put in danger the success of the plan, and therefore should be modified as soon as possible.

1.4 Preliminary Assessment

Once the principal strengths, weaknesses, opportunities and threats are identified you must get some conclusions and at the same time describe actions you wish to proceed successfully with in the foreign markets. These conclusions are double-sided: for business strategy and resources.

Business strategy: the company should consider questions for example:

- Is it capable in completing the legal normative of the most demanding countries?
- Does it have the production volume to supply the large clients?
- Can it adapt the product and service to the needs of the different domestic markets?
- Can it sell its products internationally trough Internet?

Resources: the conclusions about the available resources should contain questions such as:

- Is it necessary to count on specialized personnel to sell abroad?
- Does the company have resources to finance the buying of primary materials, machines, etc, necessary for internationalisation?
- Is it necessary to promote the best brand/company image to sell abroad?
- Is the owner motivated to make the most of internationalisation?