

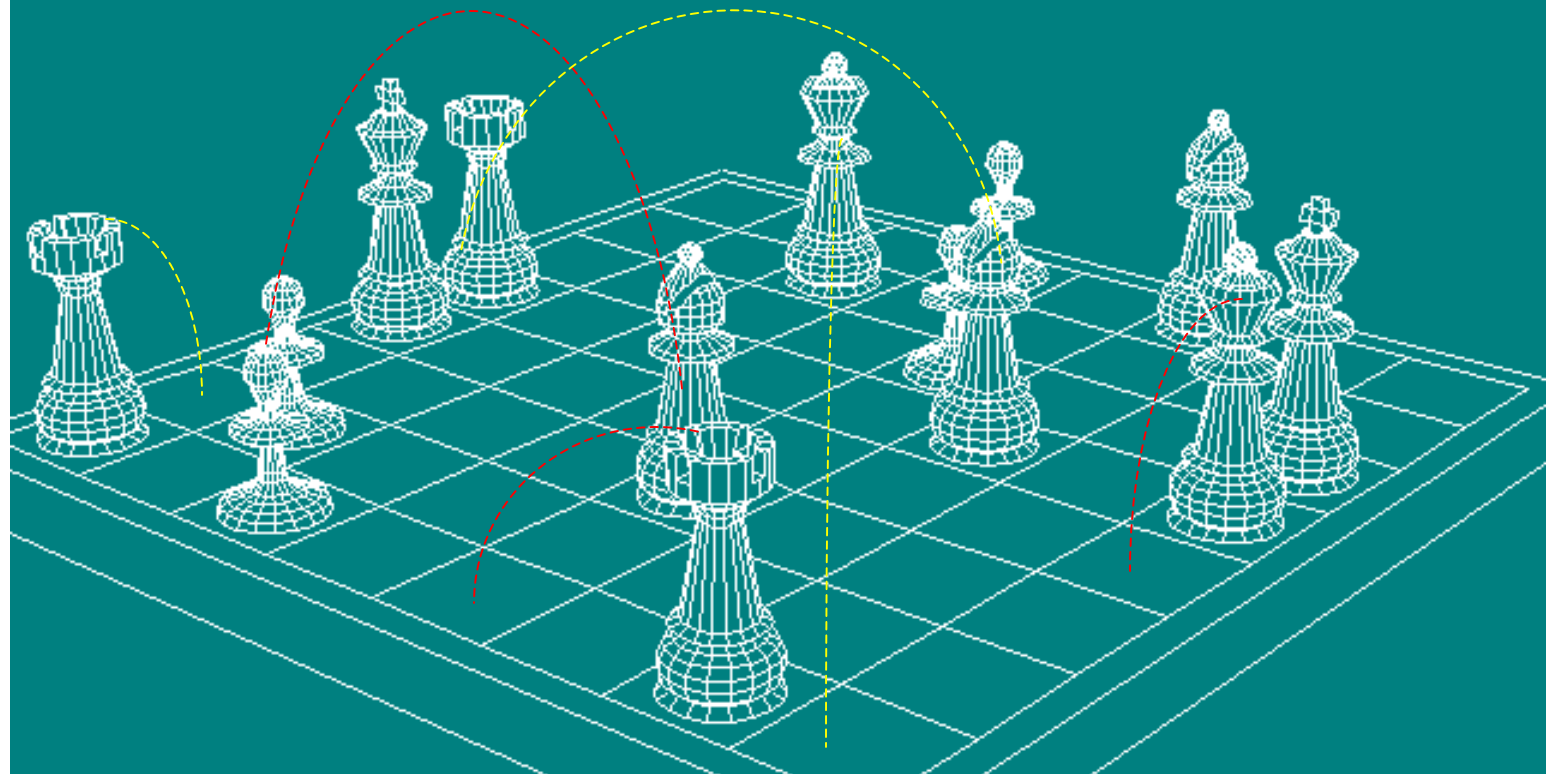
HOW TO BUILD A GLOBAL BUSINESS IN A COMPETITIVE WORLD



BCSTRATEGY
博 大 全 球 策 略

Presented by
Sara Rauchwerger - Managing Director
23 October 2004

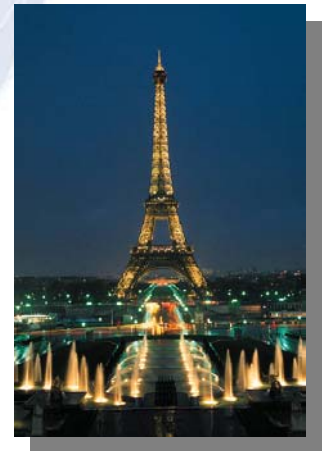
In a global and competitive environment, businesses must think ahead, but think quickly and under pressure...



the most important forms of intelligence is the ability to understand your environment and align your strategy.

Agenda

- Is a Global Business for You?
- What Does It Take to Do Business Abroad
- The Strategic decision
- The Strategic Process
- The Model
 - Internal Strategy
 - External Strategy
- Implementation
- Concluding Remarks

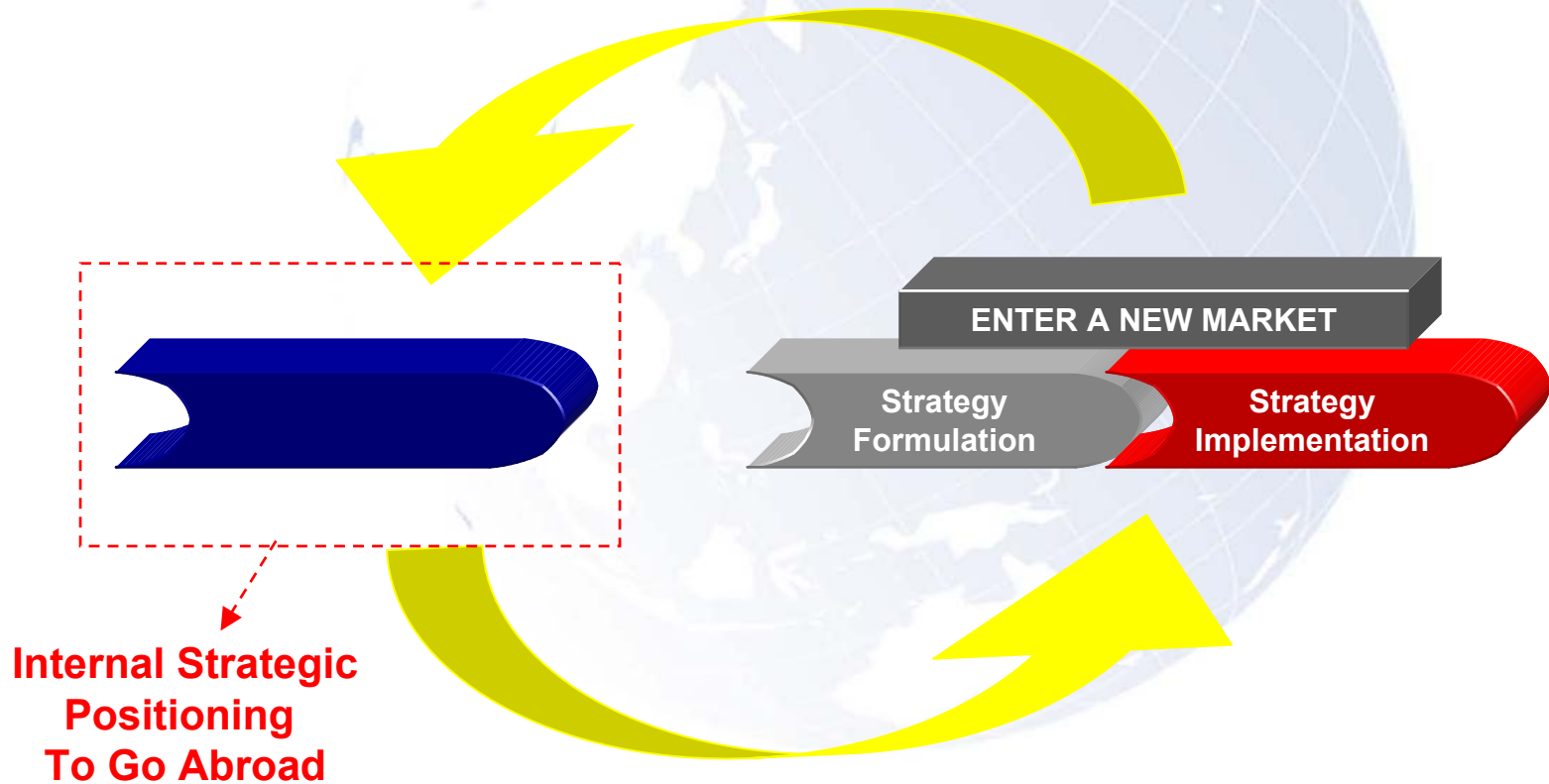


Is a Global Business for You?

- Becoming global is key to remaining competitive
- The company can take advantage of all the opportunities that a global market offers
- Understand that entering a new market is challenging and the company must adapt
- You are familiar with the process of becoming global
- You have a specific department or enough staff

An evaluation of the **INTERNAL STRATEGIC POSITIONING** of your company helps prepare for global opportunities

Concept



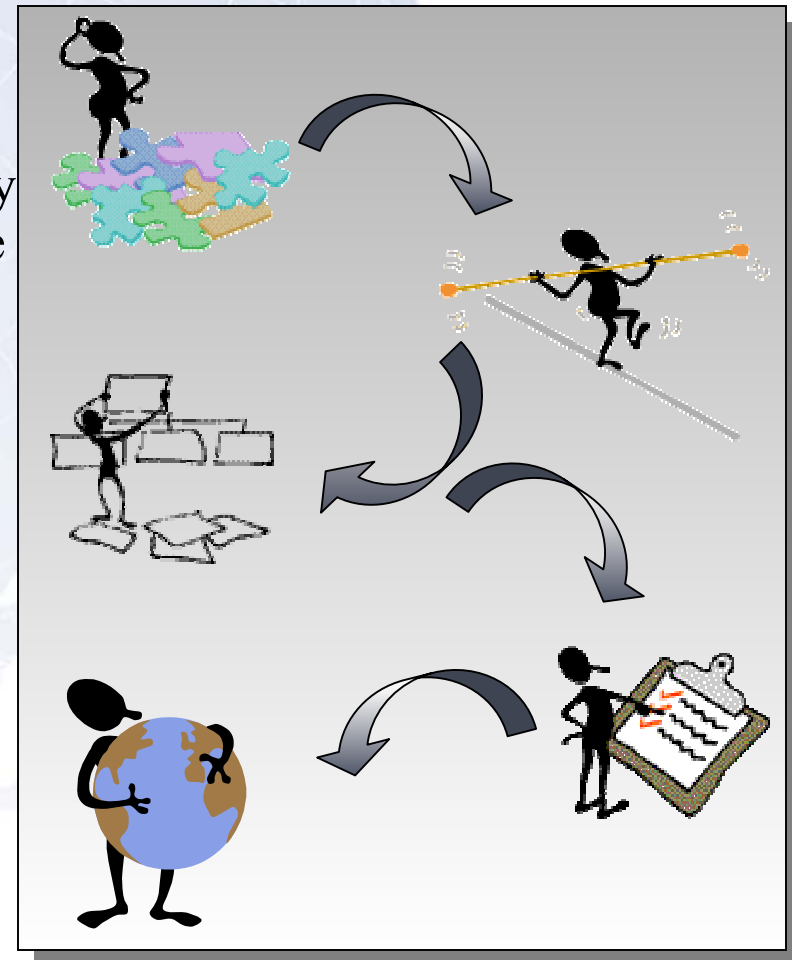
Global Business Requirements

- Assumptions
 - Products/services are relatively successful in your domestic market
 - Global objectives from inception (Entrepreneurship)
- Requirements
 - Initiative to develop business abroad
 - Company Commitment
 - Analysis of company's capabilities
 - Develop a Market Entry Strategy
 - Learn & understand the process in your select region
 - Implement alternative options applicable to the your select region



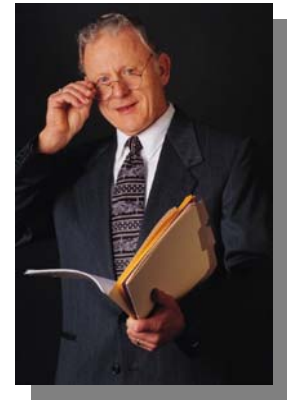
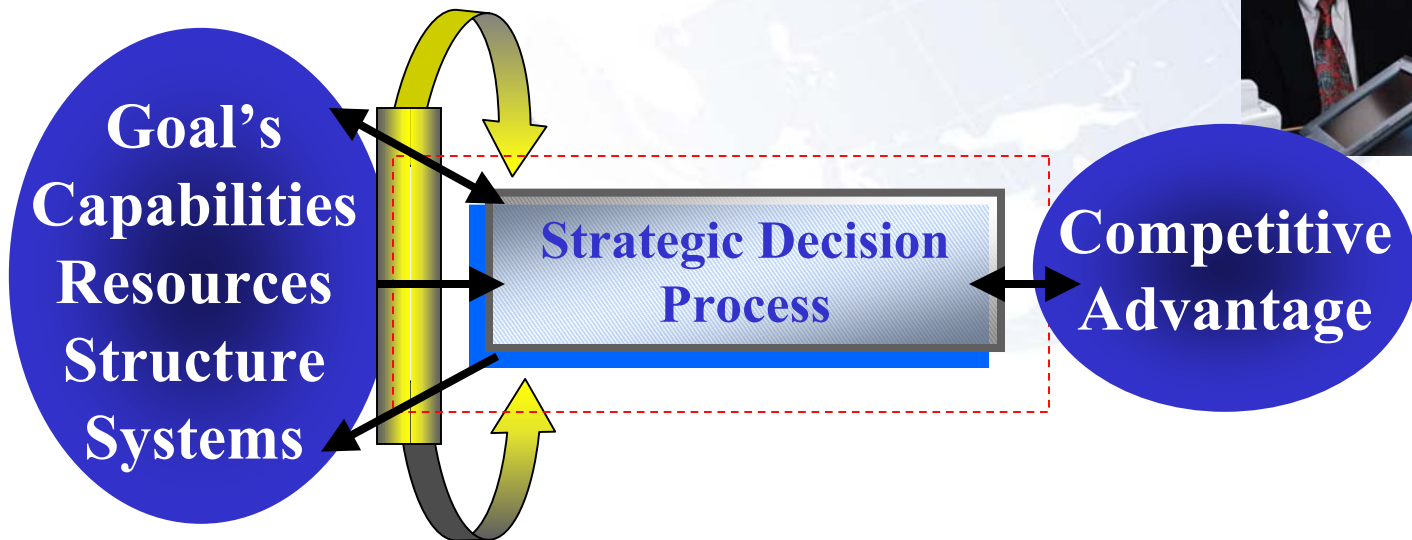
What Does It Take to Do Business Abroad

- Willingness and a good idea \neq the right management, staff and strategies.
- Sometimes objectives that are not formally stated and strategies that are intuitive have never been articulated or analyzed.
- Success abroad = get ready internally before entering different markets.
- Market conditions abroad \neq local conditions.
- Strategic Planning \rightarrow success with the least amount of risk.
- Strategic & Dynamic management helps companies operate successfully in a complex environment.



The Strategic Decision

- Complex and uncertain environments = more complicated decisions to make
- Strategic Decisions deal with the short and long-run future of the entire company
- Strategic Decision is focused on a specific target



Strategic Decision Effectiveness

Strategic Planning

- Perspective on how the entire organization functions
- **KNOWLEDGE OF REQUIRED RESOURCES**
- Understanding of information systems required
- Awareness of environment
- **UNDERSTANDING OF COMPETITIVE SCENE**
- Where people fit in and how
- 5/10 year vision

Strategic Management

- Clearer sense of strategic vision for the firm
- Strategic thinking at all levels
- Focus on what is strategically important
- **UNDERSTANDING OF A RAPIDLY CHANGING ENVIRONMENT**
- Match between environment, strategy, structure, and processes = ↑ performance

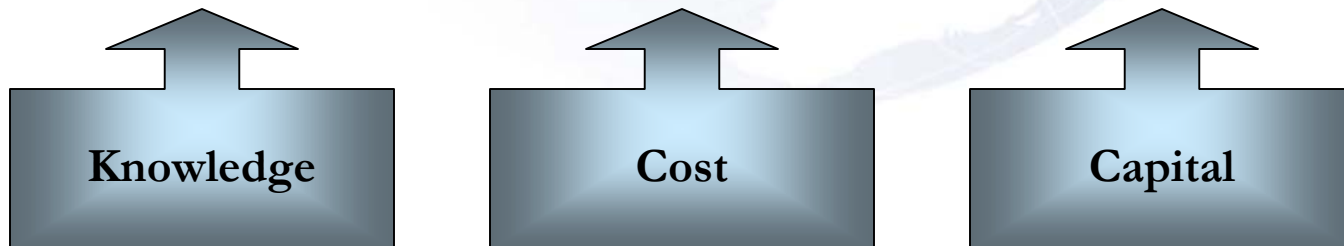
Dynamic Management

- **KNOW HOW TO LOCALIZE PRODUCT, PROCESSES AND PEOPLE**
- Distinguish between global infrastructure and local objective
- Reconcile regional, local and global management
- Cross regional centralization through regional knowledge base

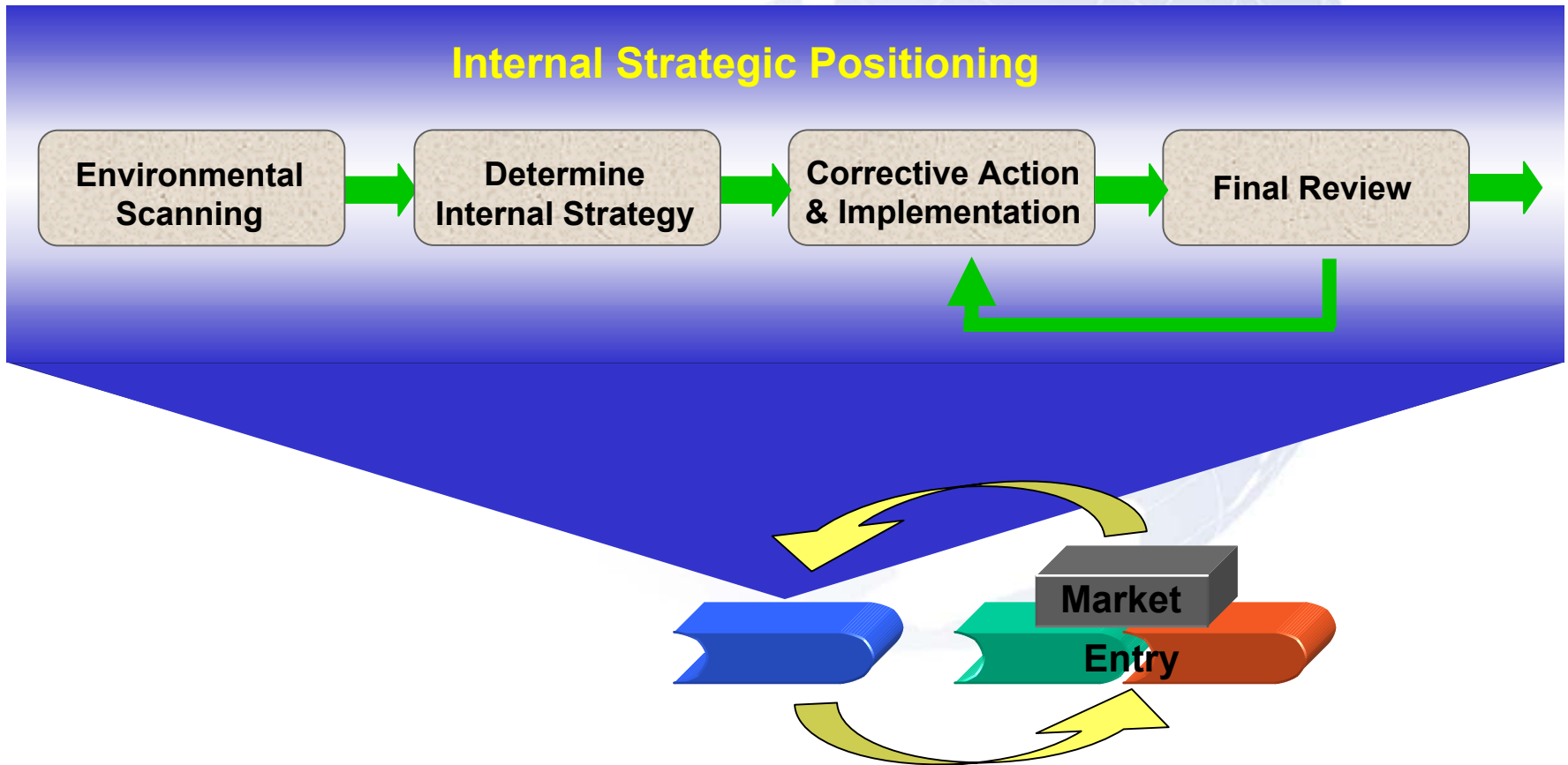
The Strategic Process

- Strategic Management process can begin with a few simple questions:
 - Where is the company/organization now? (Not where do we hope it is!)
 - If no changes are made, where will the organization/company be in one, two, five and ten years?
 - If the answers are not acceptable, what specific actions should management undertake? What are the risks and payoffs involved?

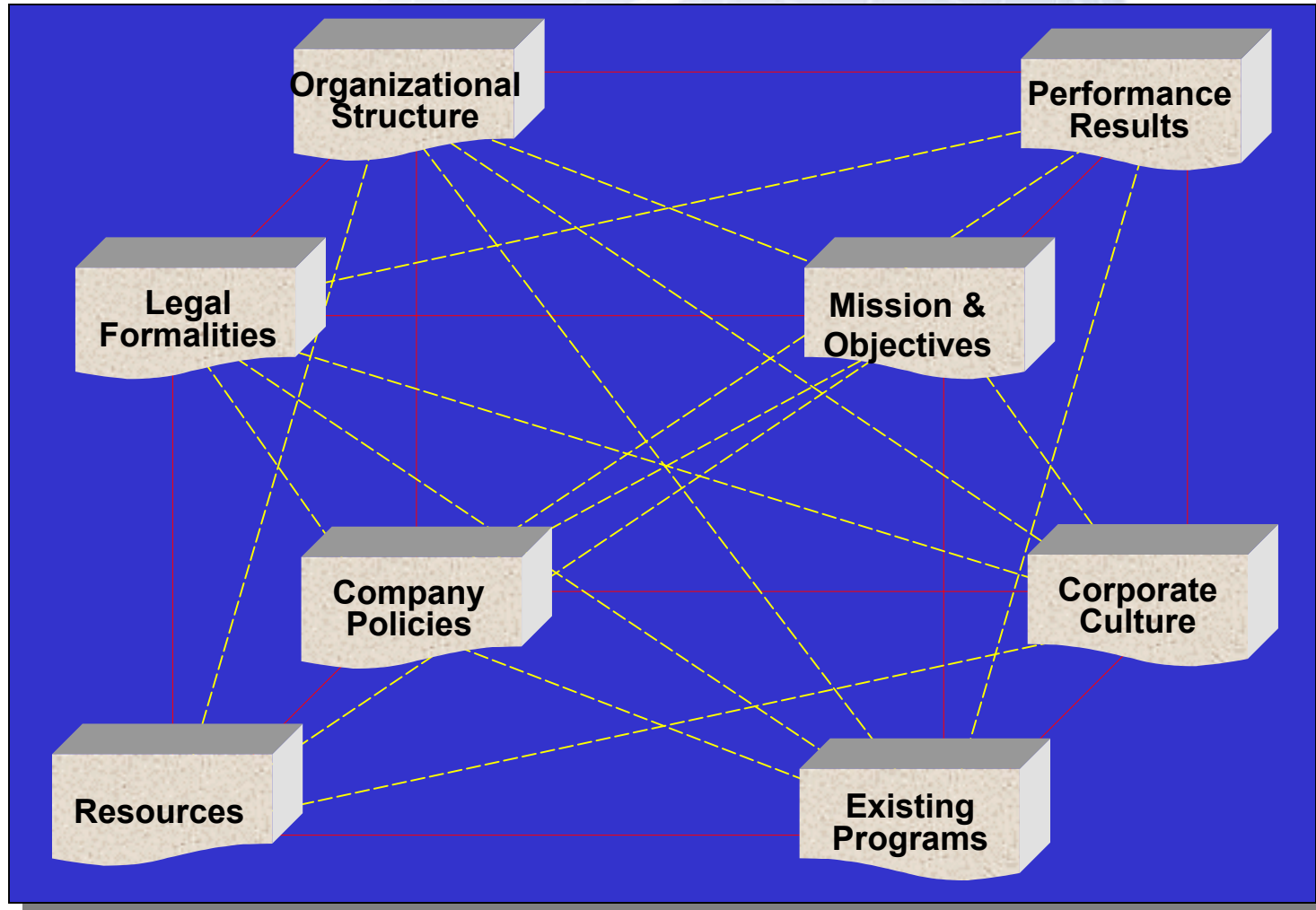
DO YOU HAVE WHAT IT TAKES TO BECOME GLOBAL?



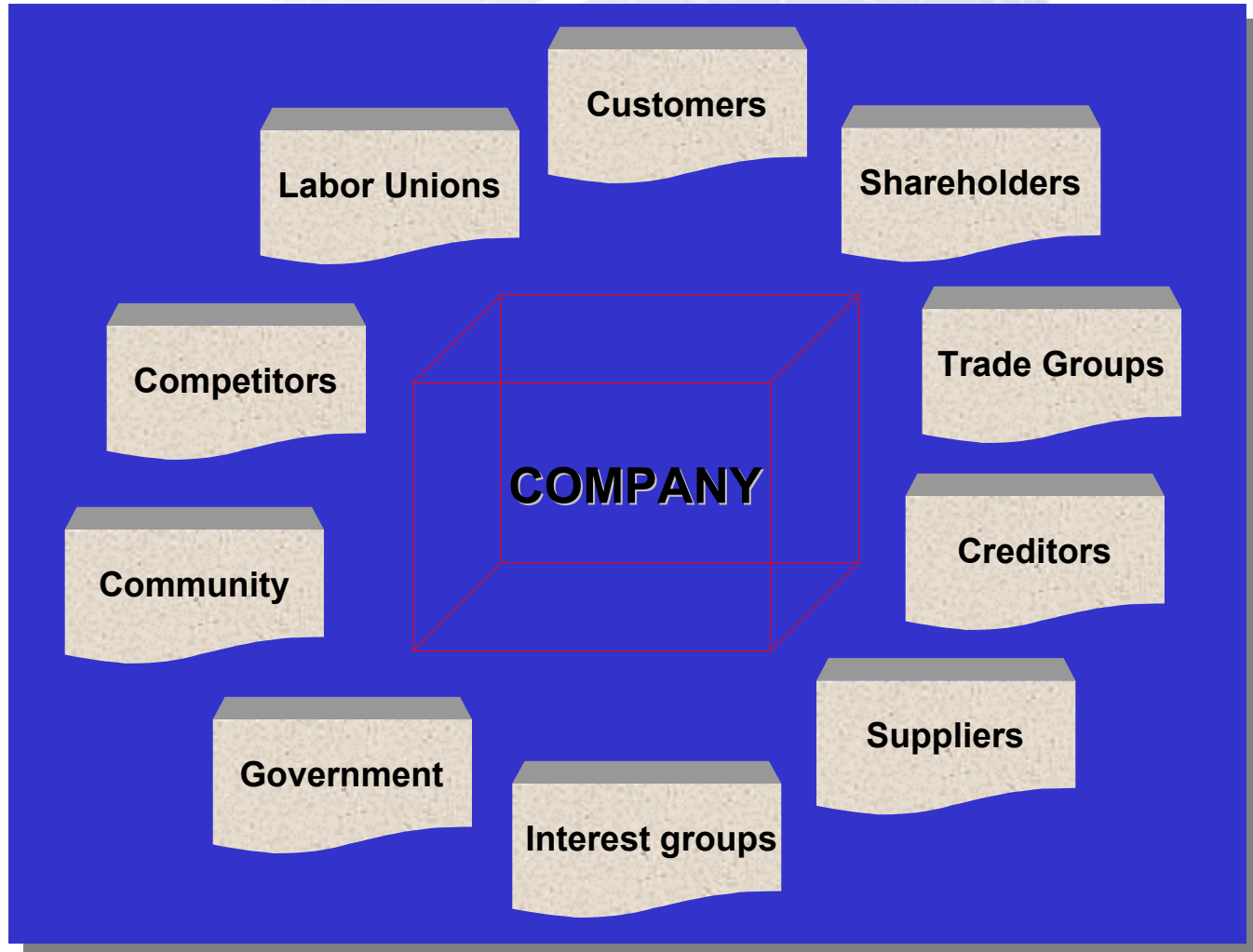
The Model



Internal Strategy



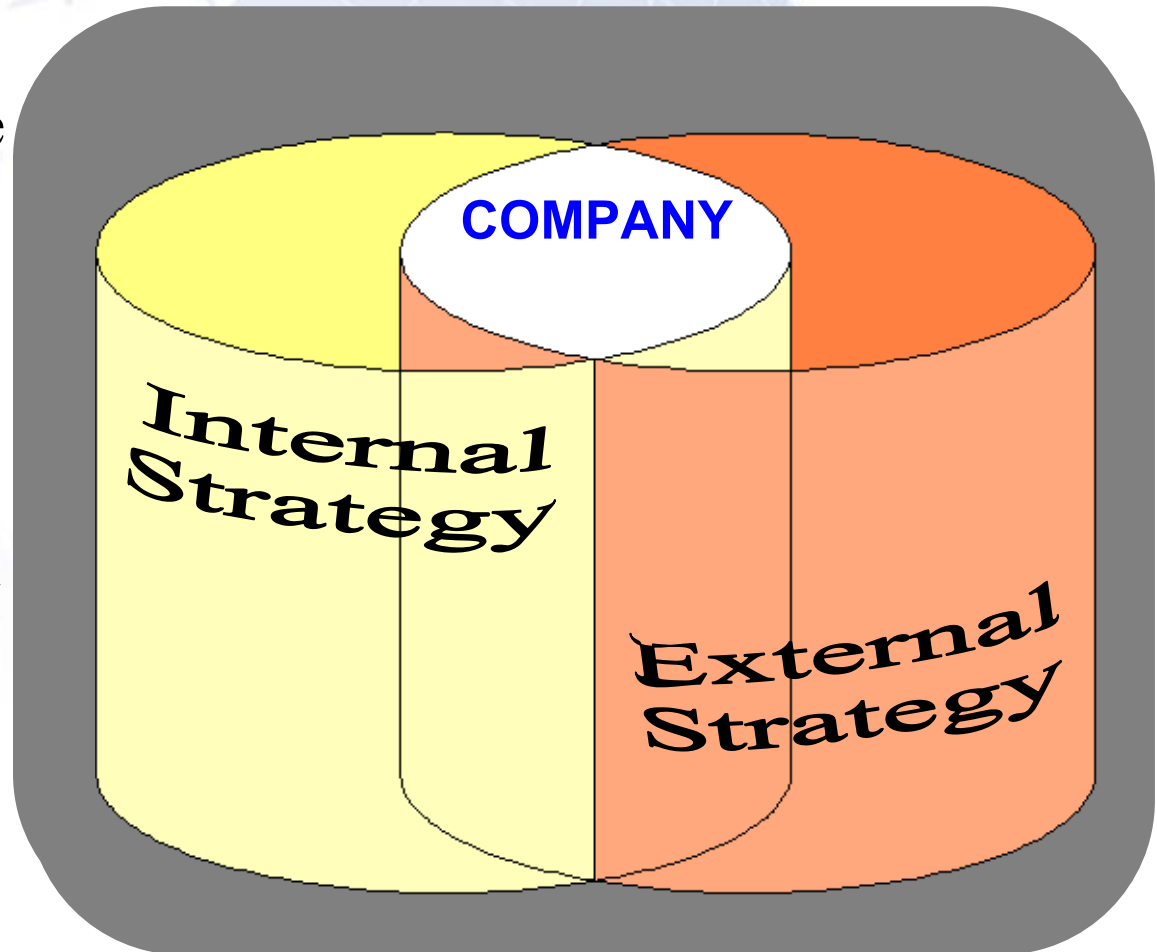
External Strategy



Internal Strategic Position

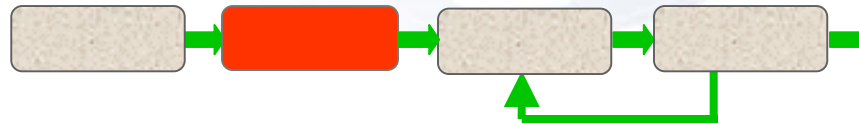
Evaluate the whole picture

- Evaluate the internal impact to the company based on a specific or combined variables.
- Evaluate the key factors that influence(s) the decision making process in the company.



Determine Your Internal Strategy

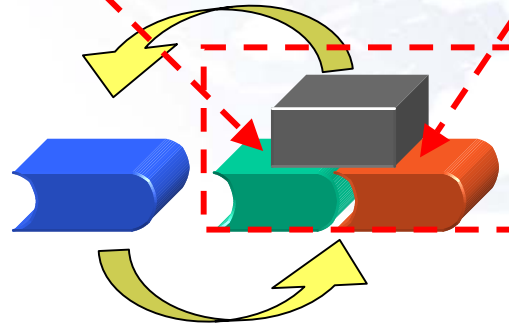
- Alternatives to determine the overall orientation of the company
 - Expand the companies activities - Grow
 - Make no changes - Stability
 - Reduce company activity - Retrench
- Determine the markets the company competes through its product/services and business unit
- Determine how management coordinates activities



Final Review



- Take corrective actions
- Double check = make sure the company/organization is now able to match the goals and objectives to move abroad
- Ensure your strategy is flexible
- Start **Strategy Formulation** and **Strategy Implementation** process to do business abroad and take advantage of the global market to match the company/organization objective(s).



Implementation

■ Strategy Formulation

- Market research
- Competitive analysis
- Government regulations & legal requirements
- Cultural Habits
- Marketing Plan
- Financial analysis
- Risk analysis

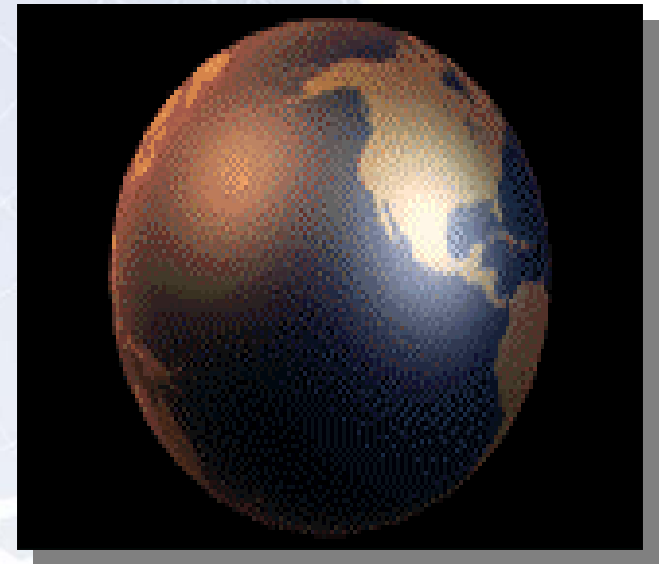
■ Strategy Implementation

- Select the alternative that will allow the company to achieve their goals and objectives with the minimum amount of risk.
- Prepare a process and an action plan.



Globalization - A Challenge

- Globalization has changed the way modern companies do business
- Companies think now on a global (worldwide) market to reach economies of scale, lower costs and achieve low prices to be competitive
- It is increasingly important to keep track of international developments and position a company for long-term competitive advantage



**Rely on specialized consulting firms to help you carry out your
global objectives**

Internal Strategic Positioning, Strategy Formulation, and Implementation.

Build a Global Business to Succeed



- Key success factors
 - Company's Vision and Leadership
 - Leverage global advantage
 - Internal Environment
 - External Influence
 - Convert Strategy into action
 - Focus on core competence
 - Adopt to changes

Making a World of Difference for Your Business

Contact Information



www.bgstrategy.com

Contact: info@bgstrategy.com