Setting Pace for Your Export Growth—Assessing Your Export Progress and Success

World Trade Practices
Chapter 17

Operating in Japan for 35 years.
First foreign securities firm in Japan.
Only foreign securities firm listed on the Tokyo Stock Exchange.
Analysts provide research on over 300 companies.

Assessment Model

Three Key Groups
- Internal
- External
- Product

Three common themes
- Resources
- Timeframe
- Market selection
Global Trade Management

Internal
- Financial
- Organizational commitment
- Employees/staff
- Internationalize staff
- Organizational structure
  - Separate department
  - Functional division
  - Product division
  - Foreign market division
  - Matrix

GTM

Textiles
Food
Soaps and Creams

External
- Foreign Market Considerations
- Foreign buyers
- Entry mode
- Feedback from market
- Channel management

Selecting an Entry Mode
- Technological Know-How
  - Wholly owned subsidiary, except:
    1. Venture is structured to reduce risk of loss of technology.
    2. Technology advantage is transitory.
    - Then licensing or joint venture OK.
- Management Know-How
  - Franchising, subsidiaries (wholly owned or joint venture).
- Pressure for Cost Reduction
  - Combination of exporting and wholly owned subsidiary.

14-16
Product
- Sales achieved
- How achieved
- Sales patterns

Competitive situation
- Domestic or international
- Oligopoly or Monopolistic competition

Marketing activities
- Product launch
- Marketing materials/translations
- Support materials
- Training
- Product modifications

Translation Blunders
- Coors
  - "Turn it loose" was translated to say "Drink Coors and get diarrhea"
- Arabic
  - Tomato paste becomes tomato glue
  - Needed to use tomato puree
- Parker Pens
  - Avoid embarrassment-use Parker Pens
  - Avoid pregnancy-use Parker Pens (Spanish)

Signs in English around the world
- Dry cleaners in Bangkok
  - Drop your trousers here for best results
- Dry cleaners in Rome
  - Ladies, leave your clothes here and spend the afternoon having a good time
- Zurich hotel
  - Because of the impropriety of entertaining guests of the opposite sex in the bedroom, it is suggested that the lobby be used for this purpose.
SWOT ANALYSIS

Internal
- Strengths
- Fuerzas
- Weaknesses
- Debilidades

External
- Opportunities
- Oportunidades
- Threats
- Amenazas

Análisis Interno-Externo (FODA)

Cross-Themes
- Resources
  - Good, bad, ugly
  - MUST learn how to differentiate solid resources from worthless information
- Time frame
  - In many countries, it is realistic to take an American project time frame and multiply it by 2, 3 or even 5 to find a realistic timetable for that market.
  - Uzbekistan - times three
  - Ghana - times 5 or 6
- Market selection model
  - This will be a work in process

Adding new markets
- MUST assess initial entry market activities
- Do trends exist?
- What similarities occurred?
- What surprises or differences in the market were found?
Create a “flexible” model