

Growth from Health and Wellbeing

Internationalization

Workshop 21.3.2023

Agenda

- Goals and objectives of the workshop
- About internationalization
- Reasons for internationalization
- Challenges for company internationalization
- Why do companies fail to internationalize?
- KPI for internationalization

Activities

- Stinky fish
- Aquarium
- Internationalization canvas
- Bridge
- Feedback on the workshop

Goals and objectives of the workshop

After this workshop participants will:

- Understand the reasons for internationalization
- Appreciate the challenges associated a company's internationalization efforts
- Gain a comprehension of Key Performance Indicators (KPIs) to assess a company's efforts in internationalizing



Internationalization goal

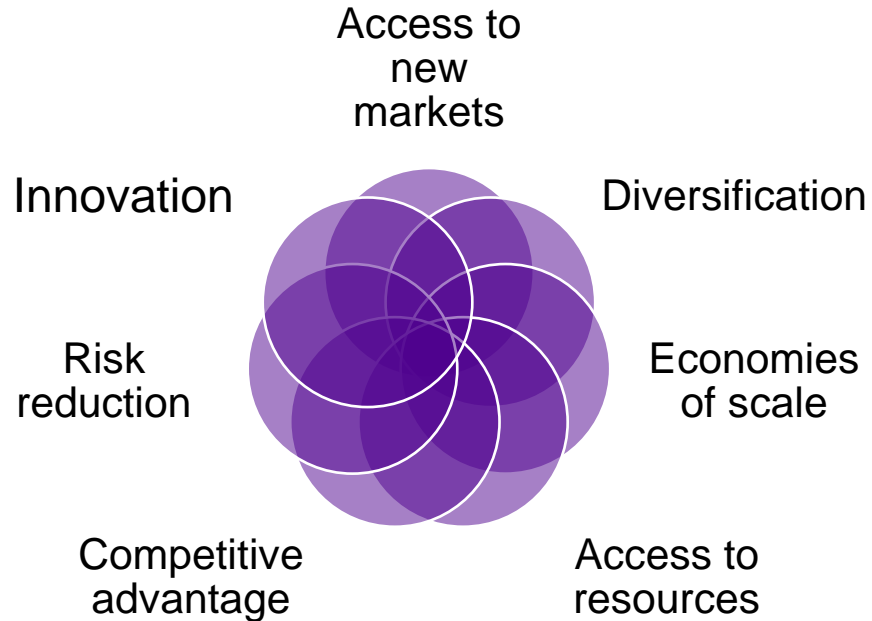
Why does your company want to go international?

- Increase number of customers
- Favorable regulations
- Lower development costs
- Government incentives
- Diversification of risks

Question for workshop participants

- Why does your company want to internationalize?

Reasons for internationalization



Issues that companies need to consider when internationalizing

- Cultural differences
- Legal and regulatory issues
- Language barriers
- Infrastructure and logistics
- Currency and financial risks
- Competition
- Human resources



Why do companies fail to internationalize?

Lack of market research

Ignoring cultural differences

Poor localization

Overreliance on partners

Legal and regulatory compliance

Insufficient resources

Lack of strategy

Poor communication and communication

Underestimating the competition



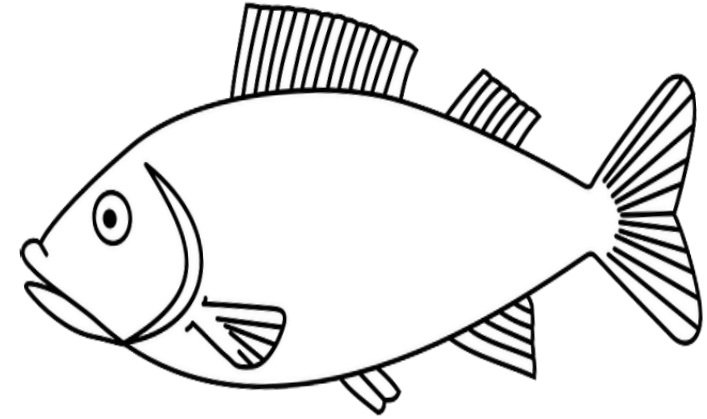
Stinky Fish

The stinky fish is a metaphor for "that thing that you carry around but don't like to talk about; but the longer you hide it, the stinkier it gets."

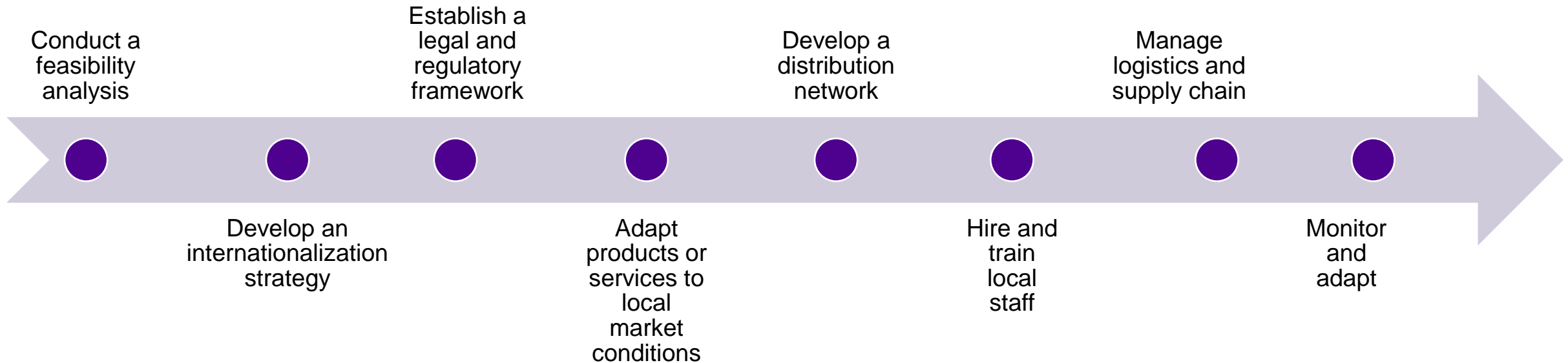
By putting stinky fish (fears and anxieties) on the table, participants begin to relate to each other, become more comfortable sharing, and identify a clear area for development and learning

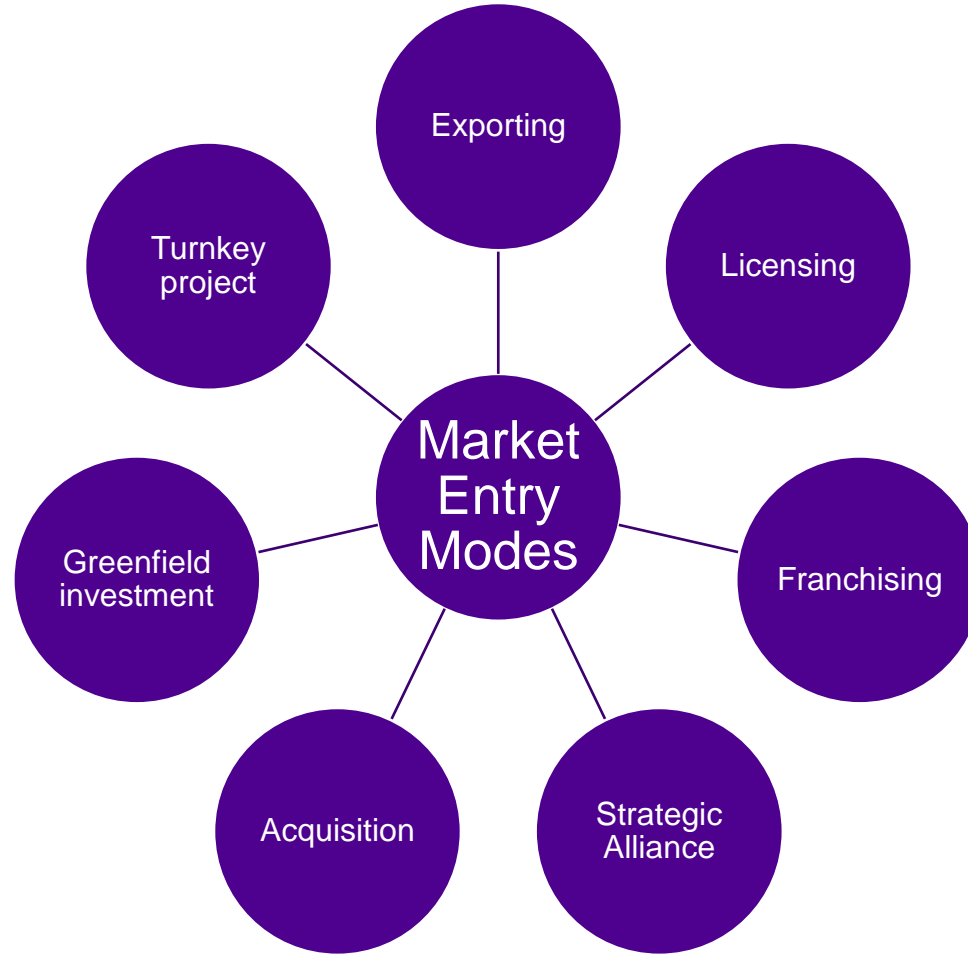
Discuss your worries and concerns about internationalizing your company

- Make notes of questions/comments that come up
- Prepare to share your ideas



Steps for internationalization





Direct vs. indirect export

Direct exporting

- Export product directly to the customer in a foreign market
 - Increased profit
 - Increased control
 - Better communication with your customers
- Increased workload
- Limited market knowledge

Indirect exporting

- Exporter/manufacturer uses "middle man" located in the manufacturer's country
 - Easier
 - Less risky
 - Increased market coverage
- Lower profit margins
- Lack of control
- Less customer contact

Activity - Fish bowl discussion

Round 1 (15-20 min)

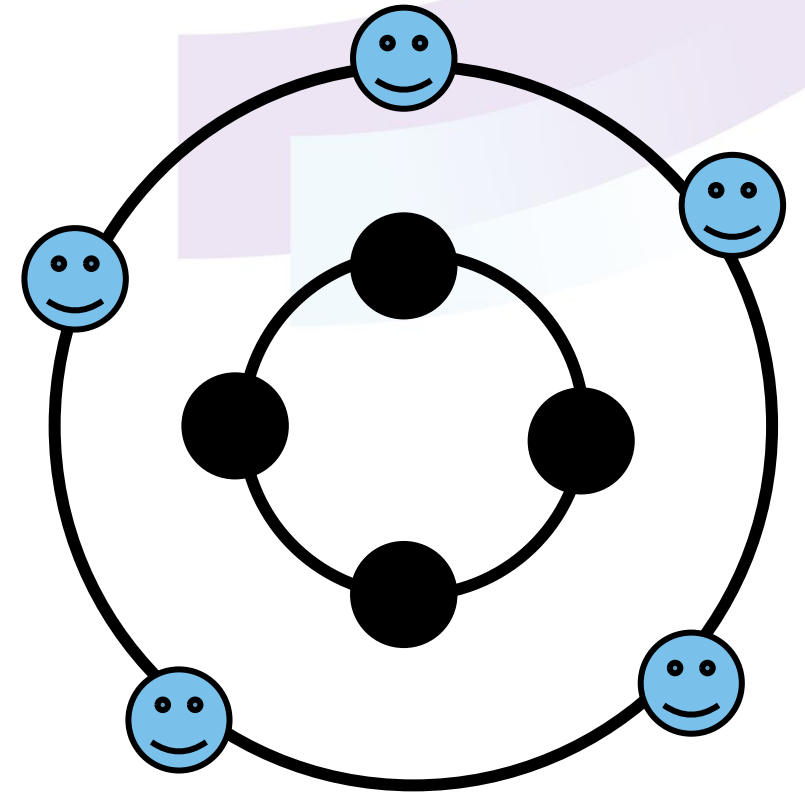
- Form two groups
- Inner circle / Outer circle
- Those in the inner circle discuss
- Those in the outer circle observe and make notes

Questions to address during the discussion:

What are the key drivers of internationalization for your company?

What is your competitive advantage in the target market, and how can you leverage it?

What are the potential risks and challenges of internationalization, and how can you mitigate them?



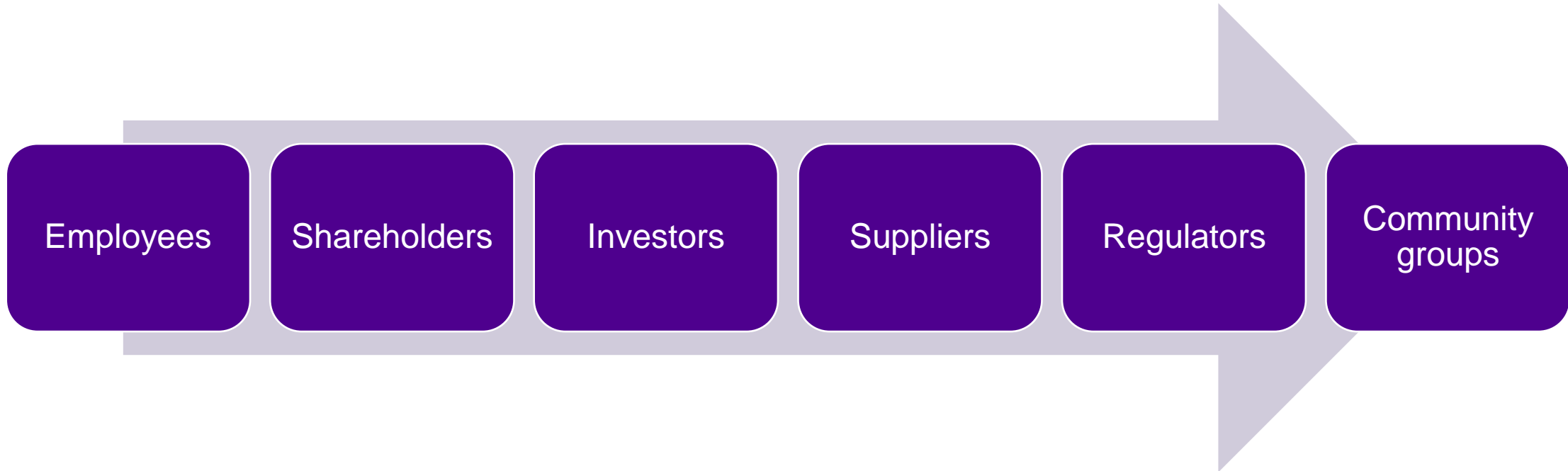
Round 2 (10min)

- Observers report their findings to the inner circle
- What aspects came up during the discussion?
- What differences in opinions did you observe?
- What part of the discussion surprised?

Localization

- Adapting a product or service to the culture and language of customers in a specific target market
 - Packaging
 - Product modification
 - Documentation/training
 - Website language versions

Stakeholder Analysis, some examples



PESTLE analysis



How to measure the success of your internationalization effort?

Some examples of internationalization KPI

<p>Gross profit margin Sales revenue Return on investment</p> <ul style="list-style-type: none">• Profitability of international operations.	<p>Market share</p> <ul style="list-style-type: none">• Measuring performance against competition	<p>Customer acquisition cost</p> <ul style="list-style-type: none">• Efficiency and effectiveness of marketing and sales efforts.	<p>Customer satisfaction</p> <ul style="list-style-type: none">• Success of product offerings and customer service.	<p>Time-to-market</p> <ul style="list-style-type: none">• Efficiency of internationalization efforts	<p>Market growth rate</p> <ul style="list-style-type: none">• Potential for future revenue growth and market share expansion
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Activity: Internationalization Canvas

- Step 1: 30 min
Work with the Internationalization canvas and make notes for area that you deem to be most relevant
- Step 2: 15 min
Discuss your results in pairs

Organizations that support internationalization of Finnish SME

- Tampere Chamber of Commerce
- International Chambers of Commerce
- Business Finland
- Team Finland
- ELY Centers
- The Federation of Finnish Enterprises

Useful resources

- <https://trade.ec.europa.eu/access-to-markets/en/content/welcome-access2markets-market-access-database-users>
- <https://international-sme-strategy.ch/wp-content/uploads/2021/10/j-lindeque-mk-peter-fhnw-sme-internationalization-canvas-1.pdf>
- https://www.yrittajat.fi/wp-content/uploads/2021/10/suomen_yrittajat_kansainvalistymisopas_EN.pdf
- <http://www.ec.europa.eu/small-business>

Book list

- Kong, L., & He, B. (2015). The art of global thinking: Integrating organizational philosophies, practices, and strategies for a new era of internationalization. Palgrave Macmillan.
- Keegan, W. J., & Green, M. C. (2013). Global marketing management. Pearson
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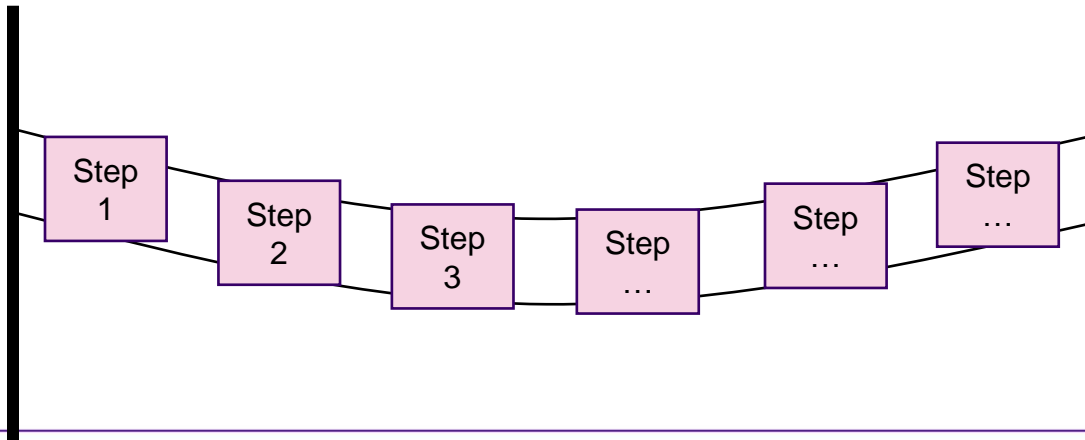
The bridge

Material to build your bridge

- Clothing pins
- String
- Paper
- Tape
- Pens

Instructions

- You will build a bridge
- The bridge will safely bring you from the start of your companies internationalization efforts to a well established international company
- One paper sheet represents one step in internationalization of your company
- How many steps do you need?
- Will the bridge carry you safely to the other side?





Feedback on today's workshop