

## **OUTLINE FOR AN INTERNATIONAL BUSINESS PLAN**

Please type your plan single-spaced. The first stage in developing an international business plan is to undertake a preliminary country analysis. Presented below are four separate sections to be completed for collection and analysis of market data and preparation of the plan: (1) Analysis: Cultural Environment; (2) Analysis: Economic; (3) Analysis: Market and Competitors; and (4) International Business Plan. The headings in each section are general and intended to provide direction to areas to explore for relevant data. Heading topic area may be emphasize or de-emphasized, depending on the nature of the firm's product and the country being targeted. Some topic headings are unimportant for some countries and can be ignored. In the material that follows, "product" can refer to products *or* services.

### **CULTURAL ANALYSIS**

The data obtained for this section provides vital information to guide development of the business plan and to support managers in understanding specific cultural dimensions of the country. Such information is useful to ensure the firm is effective in both developing the plan and interacting with the target market. Hence the information developed for this section serves a dual purpose both in the early stages of developing the plan and in executing the plan through interactions with country nationals. The information in this section constitute more than simple facts. Managers responsible for developing and executing the plan should attempt to interpret how the information developed in this section affect the firm's product, its adaptation (if needed) for the target market, and how the product should be offered in the target market. For example, the fact that China is characterized by Confucianism and *guanxi* is interesting, but the manager must attempt to understanding how such constructs influence various aspects of market behavior.

**Executive Summary** (Summary of the key points from the entire section, listing the most important items that the busy executive should be aware of; about 1 to 2 pages long)

#### **a. Introduction**

Include a short profile of the company, the product to be exported, and the country with which you wish to trade.

**b. History** (brief discussion of the country's relevant history)

**c. Geographical Setting** (especially location, topography, and climate)

#### **d. Social Institutions**

*Family* (nature and role the family; nature of male/female roles)

*Education* (literacy rates; role and quality of education, at all levels)

*Political System* (especially type of political system and structure; political parties; government stability; how this is evolving over time)

*Legal System* (code, common, socialist, or Islamic; intellectual property law; quality of legal and regulatory environment for facilitating business)

*Social Organizations*

*Group Behavior* (is country relatively individualistic or collectivist in its orientation?)

*Social Classes* (including the role of social classes, if any, in organization of society)

*Race, Ethnicity, and Subcultures*

*Business Customs and Practices* (very important; elaborate this!)

#### **e. Religion**

*Religion and Other Belief Systems*

*Role of Religion in Society and Business* (this may or may not be relevant, depending on country; usually a factor in Israel; Middle East; and South Asia)

#### **f. Living Conditions**

*Diet and Nutrition*, including typical meals and popular foods

*Housing*, including typical housing (apartments, homes, or other)

*Clothing*, including types of clothing worn at work and for leisure

*Recreation, Sports, and Other Leisure Activities*, if relevant

*Social Security* or other *Pension Systems*

*Health Care*, including type of health care system, quality of health care

*Other Entitlements*, if relevant

#### **g. Language(s)**

**Appendixes** for this section (Include here any useful supplementary material such as, for example, helpful tables or charts, reports specific to the industry or market, news articles that are particularly relevant to the company or industry.)

### ***ECONOMIC ANALYSIS***

This section generally includes two broad categories: general economic data that serve as a basis to evaluate the economic soundness of the country; and information on business infrastructure, including distribution channels and media. As noted above, the headings in each section are general and intended to provide direction to areas to explore for relevant data. Heading topic area may be emphasize or de-emphasized, depending on the nature of the firm's product and the country being targeted.

**Executive Summary** (Summary of the key points from the entire section, listing the most important items that the busy executive should be aware of; about 1 to 2 pages long)

**a. Introduction**

**b. Population**

*Total Population*, as well as growth rates, number of live births, and birthrates  
*Population Distribution* (including age, sex, migration rates and patterns, ethnic groups, groups; geographic areas subdivided as urban, suburban, and rural, densities of these)

**c. Economic Statistics and Activity**

*Gross national product* (GNP or GDP)  
*Growth Rate*  
*Personal Income Per Capita*  
*Average Family Income*  
Distribution of Wealth  
*Income Classes* (including lower, middle, upper, and proportion of population in each)

**d. Primary Indigenous Natural Resources**

**e. Surface Transportation** (modes, availability, usage rates)

**f. Ports** (main ports, quality of infrastructure, available services)

**g. Communication Systems** (types, availability, usage rates)

**h. Working Conditions**

*Employer-Employee Relationships*  
*Worker Wages and Benefits*  
*White Color Salaries and Benefits*

**i. Labor Force** (including size and unemployment rates)

**j. Principal Industries**

**k. Inward Foreign Direct Investment** (including type and amounts of key investment categories)

**l. International Trade Statistics**

*Major Exports* (including products categories, dollar value per year, and trends)  
*Major Imports* (including products categories, dollar value per year, and trends)  
*Balance-of-Payments Situation* (e.g., surplus or deficit?)  
*Currency* (including recent and historic exchange rates, and forecasts if available)  
*Trade Barriers* (tariffs, non-tariff barriers, quotas, import taxes, and embargoes, if any. Also include here any relevant information on trade barriers and regulations specific to the industry and product)

**m. Inflation Rates** (recent and historic)

**n. Technology and Science**

*Level of Technology* (computers, machinery, tools, etc. especially as this relates to your industry)

*Percentage of GNP Invested in Research and Development*

*Technological Skills of the Labor Force and General Population* (especially, as relevant to the industry)

*Channels of Distribution* (macro analysis, emphasizing the *general* level and quality of distribution channels; later you will report on the nature of channels specific to your industry and choose the most appropriate channel as part of your distribution strategy)

**o. Intermediaries**

*Retailers* (relevant only if your product is primarily a retail good. Include number of retailers, retailers per capita, typical size of retail outlets, and role of chain stores, department stores, and specialty shops)

*Wholesale Intermediaries* (number and size, usual markup and method of operation, method of payment)

*Import and Export Agents*

*Warehousing* (availability, quality, problem areas)

*Penetration of Urban and Rural Markets*

**p. Media** (macro analysis, emphasizing the general media available in the country; later, you will report on the media specific to your company, and select specific media as part of your recommended marketing strategy).

*Availability of Media*

*Cost of Media* (report on the media most relevant to your industry, including television, radio, print, Internet, transit, cinema, outdoor, others)

*Advertising Agencies* (availability, major ad agencies, typical capabilities)

**Appendixes** for this section (Include here any useful supplementary material such as, for example, helpful tables or charts, reports specific to the industry or market, news articles that are particularly relevant to the company or industry.)

## **MARKET ANALYSIS**

At this stage of the international business plan, the analysis becomes more specific to the product and its relationship to the target market. This information gathered in this section relates particularly to the product and brand. In this section, the researcher analyzes the nature of the market, customers, marketing requirements, and the competitive environment.

**Executive Summary** (Summary of the key points from the entire section, listing the most important items that the busy executive should be aware of; about 1 to 2 pages long)

### **a. Introduction**

### **b. The Product**

*Assessment of the Product as an Innovation* (the way the product would be perceived by target market in terms of compatibility with the market's technology level)  
*Problems and Resistance to Product Acceptance Based on Preceding Evaluation*

### **c. The Market**

*Description of the market(s)* (particularly in which the product will be sold)  
*Geographical region(s)*  
*Transportation and communication available in the region(s)* (as relevant to the product)  
*Consumer Buying Habits* (where, how, and why do consumers buy the product)  
*Product-Use Patterns* (how do buyers use the product; note, this can vary by country)  
*Product Feature Preferences*

### **d. Distribution of the Product**

*Retail or Wholesale Outlets through Which Product Is Normally Sold*  
*Product Sales by other Intermediaries*  
*Advertising and promotion*  
*Advertising Media Usually Used to Reach Your Target Market(S)*  
*Sales Promotions Customarily Used* (sampling, coupons, etc.)

### **e. Pricing Strategy** (Obtain this information if you can, but don't pester your company for it)

*Customary markups*  
*Types of Discounts Available*

### **f. Compare and Contrast your Product and the Competition's Product(s)**

*Competitor's Product(s)* (including brand name, features, and packaging)  
*Competitor's Prices*  
*Competitor's Promotion and Advertising Methods*  
*Competitor's Distribution Channels*

**g. Market Size**

*Estimated Industry Sales for the Planning Year*

*Estimated Sales for your Company for the Planning Year*

**h. Government Participation in the Marketplace**

*Agencies that Can Help You*

*Regulations* (regarding the product)

**Appendixes** for this section (Include here any useful supplementary material such as, for example, helpful tables or charts, reports specific to the industry or market, news articles that are particularly relevant to the company or industry.)

## **THE PLAN**

The information gathered above is the basis for developing a plan for your product in the target market. In this section, you examine how to overcome the opportunities, problems, and threats identified in the previous sections to engender maximum sales and profits. The action plan reflects, in your judgment, the most effective means of marketing your product in the country market. You also devise budgets, expected profits or losses, and additional resources needed to implement the proposed plan.

**Executive Summary** (Summary of the key points from the entire section, listing the most important items that the busy executive should be aware of; about 1 to 2 pages long)

### **a. Market Objectives**

*Target Market(S)* (specific description of the market)

*Expected Sales*

*Profit Expectations*

*Market Penetration and Coverage* (what specific areas of the country will you target and to what degree should the firm emphasize sales in the market)

### **b. Product Adaptation, or Modification** (indicate how and why the product should be adapted for the market)

*Core Component*

*Packaging*

*Support Services*

### **c. Marketing Communications**

*Advertising* (objectives, media mix, messaging appropriate for the market, costs)

*Sales Promotions* (if appropriate; objectives, types, costs)

*Personal Selling* (style appropriate for the market, needed adaptations)

*Other Communications Methods*

### **d. Distribution** (from origin to destination)

*Ports* (origin port, destination port)

*Mode* (ocean, rail, air, or highway; advantages and disadvantages of each; Note, in most cases, the firm will use ocean)

### **e. Packaging** (include marking and labeling regulations, containerization, and costs)

### **f. Documentation** (regarding bill of lading, commercial invoice, invoice, export declaration, certificate of origin, insurance, special documentation)

### **g. Freight Forwarder** (in most cases, the firm will require a freight forwarder. Here you should recommend some freight forwarders, including names and addresses. These can be found online by searching keywords such as "freight forwarder, Portland")

**h. Channels of Distribution** (micro analysis; in this section, you recommend details on specific types of distribution).

*Retailers* (relevant only if dealing in a retail product and selling through retailers!  
Include here recommendations on type and number of retail stores, retail markups for products, and methods of operation)

*Wholesale Intermediaries* (including type and number of intermediaries,  
recommended markup, methods of operation including cash or credit)

*Import and Export Agents* (relevant if exporting)

**i. Warehousing** (type, location)

**j. Final Price(s)** (your price must incorporate the costs of getting the product to the final customer – shipping cost, inland transportation cost, insurance, tariffs, local taxes, markups, and desired local markup)

**k. Terms of Sale** (e.g., Exworks, FOB, CIF)

**l. Payment Method(s)** (e.g., cash in advance, open account, or letter of credit)

**m. Marketing Budget**

*Selling Expense*

*Marketing Communications Expense*

*Distribution expense*

*Product cost*

*Other costs*

**n. Resource Requirements**

*Finances*

*Personnel*

*Production capacity*

**Appendixes** (Include here any useful supplementary material such as, for example, helpful tables or charts, highly specific reports from the U.S. government, special industry-specific market reports, or news articles that are particularly relevant to your company.)

## **REFERENCES**

Sources of Information for the entire document (REQUIRED) (Don't forget to track references. Don't plagiarize! It's okay to use someone else's work as long as you cite it and as long as you quote it, if it's a direct quotation. Put all cited references in the Reference section here.)

Source: Adapted from Cateora, Philip, Mary Gilly, and John Graham (2010), *International Marketing, 15th ed.* New York: Irwin McGraw-Hill

## HOW TO WRITE A REFERENCES SECTION: EXAMPLES

### Books:

Douglas, S.P. and Craig, C.S. (2008) *International Marketing Research*, Englewood Cliffs, NJ: Prentice-Hall.

World Bank (2012) *World Development Indicators*, Washington, DC: The World Bank.

### Articles:

Smith, S. (2012) "The New Economy: What It Really Means," *Business Week*, November 17, pp. 27-31.

Knight, G. (1995) "International Marketing Blunders by American Firms in Japan - Some Lessons for Management," *Journal of International Marketing*, Vol. 3, No. 4, pp. 107-129.

### Reports:

UNCTAD (2013) *World Investment Report 2012*, New York: United Nations: United Nations Conference on Trade and Development.

### Internet Sites:

Central Intelligence Agency (2001) *The World Factbook 2012* (<http://www.odci.gov/cia/publications/factbook/index.html>), Washington, DC: Central Intelligence Agency.

Hoover's, Inc. (2012) *Hoover's Online* (<http://www.hoovers.com>), Austin, TX: Hoover's, Inc.

Jupiter Communications Inc. (<http://www.jup.com>), New York, NY.