

**Strategic Plan for International Growth**

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## Introduction

A business needs change in time so that it is able to compete with its industry. Change is fundamental for a company and it can take place in the form of international growth expansion. Therefore with a strategic plan it will provide you company with sustainable growth.

It is essential when developing an international growth strategy a step-by-step approach is taken so that it is cost effective and efficient. The focus of the strategy needs to be on the foreign markets penetration and along with its development process which is done with the help of structured meeting with the top management of the company.

## International Growth

Before the project can be initiated it is essential to ask ourselves this question: why go international? One of the major reasons a company goes international is because of they want to increase their market share along with low cost production. Therefore it is crucial that a company like yours makes a structured move, i.e. to make a strategic choice between establishing a global market position or no position. (Harris et al. 2012)

## Development Phase

And if the move is to make create a position in the global market then it is essential to identify in which the development phase the company is in? Once the phase has been selected, it will help the company to develop its strategy formulation process. One thing that needs to be remembered is that international operations tends to begin with direct exports, therefore it is essential to have a contingency plan of action in place as well before the international growth plan is initiated. The development phases can be seen in the following illustration;

### International Growth Formulation Process

One thing that needs to be remembered is that a consultant cannot write a strategic plan, it is the responsibility of the top management to develop their business strategy. But an outline can be prepared and presented to the top management so that the commitment to the chosen international growth strategy can be guaranteed by following the steps in the strategy formulation process. The following steps are as follows;

- Internal Analysis: with the help of internal analysis the company will be able to analyze its strengths and weaknesses for international expansion.
- Competitors: it is crucial to analyze the competitors as well. These need to be identified, so through their product lines, strengths along with their weaknesses. And it is a good idea to gain information about them so that we can learn who they entered the market.
- Target markets: the target markets need to be selected. For example, with a help of a preliminary screening, you will be able to select the country plan on penetrating.  
(Schwenker B & Botzel 2007)
- Entry Modes: an entry mode needs to be selected; this can be done through direct export or joint venture.

### Challenges

There are some challenges that tend to take place during the project, and these tend to create a hindrance for the plan to become a success. These challenges are as follows;

- When the strategic intent is not clear
- The risk of the expansion is underestimated
- There is no link between the strategy of the company and the actions
- There is a lack of balance between the 'tight' and the 'loose', i.e. between the autonomy and the mission of the company.
- The project reviews of the international growth are poor in regards to the key resulted areas
- There is no alignment between the structure and the strategy of the company.

## References

Harris, S, Kuivalinen, O & Stoyanova, V, 2012, *International Business: New Challenges, New Forms, New Perspectives*. USA: Palgrave Macmillan

Schwenker, B & Botzel, S, 2007, *Making Growth Work: How Companies Can Expand and Become more Efficient*. Berlin: Springer