STRATEGIES

The Global Business Boom

How to prepare for a world-wide marketplace.

BY ERIK C. MEYER

United States technology and products find a ready market around the world.

However, to develop a profitable and long-lasting presence in global markets, internationalists or global managers are usually required. This breed of manager, who is at home around the world and is in tune with the varying economic, business and cultural differences in other markets, may be difficult to find.

In addition, the concept of the "home market", on which industry was built in the past, is literally a thing of the past. The world becoming one big market place divided into several major blocks.

The Pacific Rim, the Concept of Europe 1992 and the U.S./Canadian Trade Agreement will result in three major markets of giant proportions, made up of the industrialized countries of this world.

By 1992, Western Europe will become one single internal market with no bounderies or internal restrictions. It will represent the largest single market in the world, made up of 12 different countries with of population of 330 million people.

This, however, does not mean that Europe can be adressed as one single entity from the standpoint of marketing and sales. Cultural differences in that giant market have grown over centuries and will not disappear suddenly by enacting laws to unify a market.

Before a company enters the global markets, it is essential to have a plan and concept available to assure that the program will be successful.

Once the committment for expansion is made, the first step should be the hiring of a qualified individual or the contracting with an outside expert to develop an international presence. Varying business methods and conditions around the world must be understood and the individual must have experience as an international manager to avoid the pitfalls and mistakes that many a company has experienced and paid for dearly. The person should have some basic qualifications in international business, such as:

- An open mind to the rest of the world and an appreciation for the cultural, economic and business differences encountered. This will assure that the personal relationship that is so important in many countries, can be developed. An international manager is not only a representative of his or her company, but also an ambassador of his or her country.
- An understanding of world economies, cultures and how business is conducted in other areas of the world. It will immensely facilitate the conduct of business, will eliminate grave mistakes and makes it easier to explain to the corporate management what to expect from a particular market.

To become an internationalist with all of its qualifications will take years, and the wrong individual will never become one.

- A willingness to do extensive overseas travel to establish a business base in other countries. The telephone is an impractible means to establish an overseas business because of potential language barriers and different time zones. Correspondence is not the tool to communicate to partners and customers the plans that the company has for that market.
- Linguistic abilities to be able to talk to clients and be able to interpret information in host countries and remain in tune with the general situation in those countries. In many cases, a knowledge of the country's slang and idiomatic phrases can be helpful too. Also, the information that one can gain from reading the local business papers and magazines is invaluable for the development of a business.
- The ability to get along with people of varying cultural backgrounds, being able to relate to them and be the company's sole representative around the world. Personal relationships often play a greater role than detailed technical knowledge. Moreover, a knowledge of customs and practices of the culture are very important as well. It is very easy to inadvertantly offend somebody if you don't know their proper social customs and etiquette.

Such qualifications cannot be obtained in a crash course, but must be aquired over many years of direct experience. It is therefore downright foolish to assign the international planning, marketing and operation responsibilities to someone who has proven his capabilities by being the best regional manager in the company. Business conditions in South America, Europe, Asia or Africa are totally different from those in the Los Angeles or New York area or wherever the potential candidate has proven to be successful for his company before. By assigning a reluctant and inexperienced individual to international duties, the company can destroy a career and cause irreparable damage to its own future.

Product knowledge is an important factor for developing the world markets. However, the understanding and appreciation of international business has far greater importance. Product knowledge can in most cases be aquired in about 6 to 9 months. To become an internationalist with all of its qualifications will take