



Global Business: Another Key to Economic Growth

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Trade deficits, international competitiveness and currency erosion have become hot political issues. International business is no longer a luxury, but a necessity, and a very profitable necessity for industry.

The majority of large industry leaders now look to the vast potential offered by the world market as a very lucrative business opportunity. Smaller industry participants, however, shy away from

international activities. Those that do make the decision to actively participate in it reap significant rewards from this business sector and may derive 30% or more of their annual revenues from international business. During periods of economic downturns, companies that had the foresight to adopt a global outlook fare infinitely better than their counterparts who discarded the idea of going out into the world.

Generally, companies with international business activities outperform those with purely domestic operations. This holds true particularly for small and medium-sized technology-based companies that can show a greater flexibility than larger corporations. At the same time, companies with international operations maintain a more positive stance and greater optimism about profits. Globally-thinking companies get exposure to different competitors, different applications for their products, different customers and a host of other encounters which in turn inspire new product ideas, improve the design and manufacturing techniques and, generally, will bring fresh ideas into a company. Conducting business on a global scale facilitates the raising of capital, as many international companies are interested in finding a U.S. partner company as a means of participating in the U.S. market.

International business may develop gradually and quite by accident. U.S. trade publications are read the world over. Customers in a far-away place see an advertisement for a product in a technical magazine. They may send in an inquiry and if the company deems it interesting enough, will send out a quotation. Before long, an order for the equipment (or whatever) is placed; the first international sale is made. After the first jubilation, it is realized that international orders require special attention and handling. In meeting the demands of unplanned growth, mismanagement develops and doom is predictable. Planned growth would dictate two essential elements after the first

order is received (or before): (1) Hire the right person, and (2) Develop a strategy for growth. The first element would have a profile of (a) an open mind and appreciation for international cultures; (b) an understanding of business and world economies; (c) a willingness to travel extensively; and, (d) linguistic abilities. The second element would consider the following: (a) exportation networks; (b) overseas marketing functions; (c) licensing and restrictive considerations; (d) joint venture possibilities with local partners in another country; (e) wholly-owned subsidiaries in other countries.

Results can be positive. By considering the above, displaying patience and showing commitment, a company with an attractive product or technology will derive a respectable amount of its business from the international market.

To develop an international presence takes one year to eighteen months. A company that withdraws from global activities when the results after six months are not there, should not have entered this market in the first place. Eventual re-entry into the international marketplace may be a virtual impossibility. Some staying power is required.

A business with a long-range outlook has management focused on building and maintaining market shares at home and abroad. Companies, large and small, are urged to make a commitment to the international business community. Assistance is as easy as dialing the telephone. ■

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