

Chapter 12 - Looking Backward and Looking Forward

Once a company has completed a number of business launches, it is time to review what they did right and what went wrong. This will allow them to determine the future direction.

What Have We Done Right and Wrong?

Dedicated Resource. As previously described, we created an empowered emerging market staff and teams, which operated throughout all phases of market entry in a total systems approach. This strategy enabled us to concentrate on the real issues without becoming entangled in the traditional organizational structure and to demonstrate a strong commitment to our local partners.

Business Migration. Secondly, we followed the logic of the business migration pattern typical for new markets. This prevented us from taking the second step before the first one, allowed us to move along a structured path, and maintained our direction and progress with proper speed. It also created high synergy and enhanced our corporate identity. Furthermore, sharing our learning, know-how and resources became a recipe for our rapid progress.

If we observe business migration over a longer period of time and with a larger sample of corporations, a pattern becomes evident. This is not the only model because the original strategic intent or changing business priorities may dictate another sequence and timing of events. Nevertheless, I offer this model as a rough guideline, which served us well as we built our presence in emerging markets (See Figure 16, Business Migration).

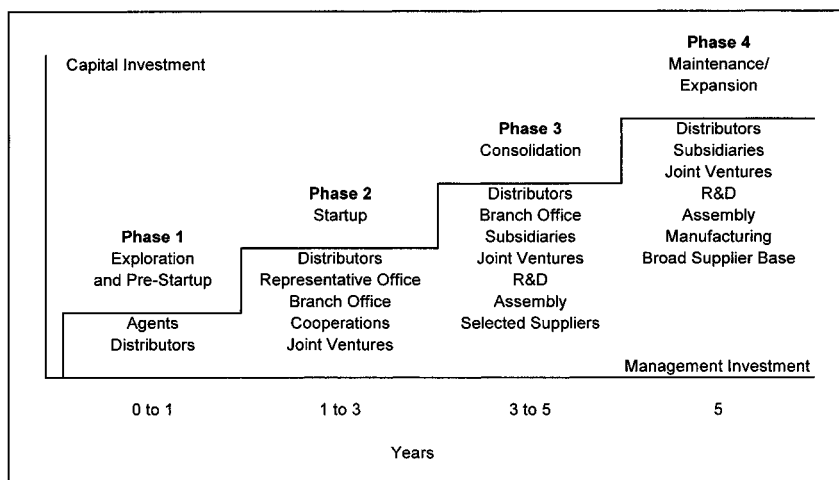


Figure 16: Business Migration

Added Value Strategy. Added value programs are a catalyst for an accelerated market entry. They are door openers to key publics and offer a range of initial benefits. Moreover, they demonstrate commitment and seriousness towards our partners.

Turning Barriers into Opportunities. We experienced that barriers are seldom twists of fate to be accepted but are worth being challenged. Conversely, we recognized that opportunities tended to fall back into the status of barriers if not properly managed. We therefore reviewed each barrier and opportunity in the light of the following questions:

- Are there opportunities, which may turn into barriers?
- Are there barriers that may turn into opportunities?
- Which measures can be taken to convert a barrier into an opportunity?
- Are opportunities or barriers applicable to the company as a whole or only to certain businesses?
- Is it worthwhile accepting a barrier and working around it instead of doing nothing?
- How can opportunities be strengthened further and barriers be overcome?

When a leading fast food company started up in Russia, many of the local products did not meet their worldwide specifications. They bought a