

Chapter 8 - Added Value of Market Entry Strategies

Throughout all phases of market entry, a high benefit was derived designing so-called added value strategies. They fulfill several purposes:

- Create market-entry models that overcome initial barriers and provide a competitive position.
- Enable a two-way transfer of knowledge where the country may capitalize on Motorola's expertise and we may benefit from the country's resources.
- Develop partnerships and alliances to promote opportunities that contribute to mutual success and welfare.

Parviz Mokhtari (Director, CEE / MEA) led the process of designing these strategies. He says the situation in Central and Eastern Europe was so unique that our classical strategy portfolio did not provide all the recipes we needed. "We actually had to reinvent ourselves and conceive a new strategy, taking into account that both the countries and ourselves started from a zero base," Parviz says. "Fortunately enough, our top management left us a lot of freedom, and we did not have to go through many decision levels since everything was new for everybody. So we started with a blank sheet of paper, and we were able to set a direct course for the goal."

The overriding strategy was added value. Parviz's team identified four strategic fields. At the same time, each sector, group and division developed its own strategies focusing on its business plans and market segments. To minimize overlapping and performance gaps, corporate functions and businesses regularly coordinated their strategies.

The Strategic Fields

The four strategic fields the team identified were to:

1. Leverage our strengths
2. Shift resources into the country

3. Enhance its premier employer and good citizen role

4. Promote synergy and corporate identity

These are seen graphically in Figure 13 below.

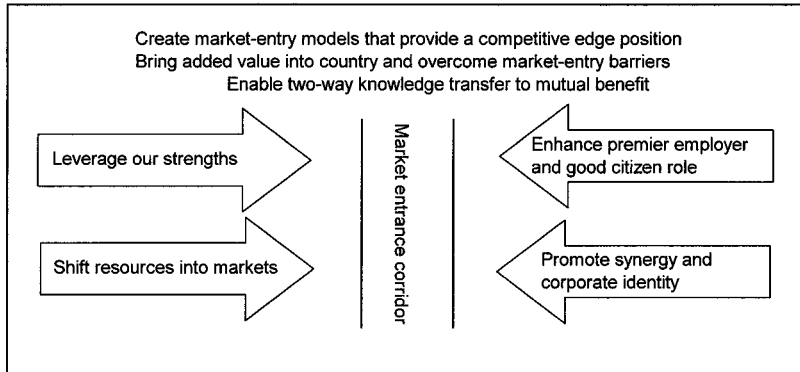


Figure 13: Added Value Strategies

Leverage Our Strengths

- Technology platforms
- Advanced products, systems and services
- Spectrum management expertise
- Quality improvement
- Cycle-time reduction
- Total customer satisfaction
- Training and education
- Market-entry programs
- Supplier and distributor qualification
- Financing solutions for customers

These strategies enable the country to gain access to the technological and management know-how of a market leader, acquire a state-of-the-art product portfolio and receive support in the development of policy and infrastructure. The company, in turn, will deal with a new dimension of partners who will achieve a higher level of sophistication.