

Faculty of Economics and Management

Michael Nippa

Be Ready for Internationalization

Part I: Current context – motives – strategy

Webinar in collaboration with the Chamber of Commerce of Bolzano,
partner of the European project BE READI ALPS

Bozen-Bolzano
Monday, May 11th 2020

→ www.unibz.it/en/faculties/economics-management/academic-staff/person/35249-michael-nippa

UniBz-financed research project MISME:

**Improving the Management of Internationalization SMEs –
Blind spot of research despite great relevance for the economy!**





Welcome and Introduction

I In Need of an Internationalization Strategy

Monday, May 11th - 5.00pm – 5.45pm

- I.1 The Current Situation: (De-)Globalization and Digitalization
- I.2 Building Blocks of a Successful Internationalization Strategy
- I.3 Key Decisions: Why, what, where, when, and how?

Questions and Answers

II Selective Success Factors of Internationalization

Monday, May 18th - 5.00pm – 5.45pm

- II.1 Passion and Leadership is Key
- II.2 'By Chance' or: 'Windows of Opportunity'
- II.3 Organizational Readiness for Internationalization
- II.4 Customer Orientation and Responsiveness

Questions and Answers

For questions and comments: pls use chat or write to michael.nippa@unibz.it



You are encouraged to reflect on the **impact** of the **global crisis** on the **internationalization** process of your organization.

You will get to know the **elements** that determine the success of an **internationalization strategy**.

You will recognize the importance of a systematic **definition of objectives**.

You will see that creating **customer value** through unique **products and services** must be the **core** of your internationalization strategy.

You will recognize that in internationalization, too, a **balance** between passion and rational calculus, between organization and improvisation, and between tradition and innovation is the key to success.

You will appreciate the ability **to integrate details** of the internationalization of a SME, such as online marketing or the selection of trading partners, **into a larger framework**.



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- **Temporary lockdowns**
- **Dependence on critical supplies and suppliers**
- **International travel restrictions**
- **Social distancing**

- **Maintaining supply chains across otherwise closed borders**
- **Limited cross-border mobility**
- **Shutdown or potentially elimination of important export markets**
- **New administrative hurdles**

- **Telecollaboration, teleconferencing, smart working**
- **Online products and services → different channels**
- **Relocation of offshored industries → upgrading of regions**
- **New consumer needs**





Welcome and Introduction

I In Need of an Internationalization Strategy

I.1 The Current Situation: (De-)Globalization and Digitalization

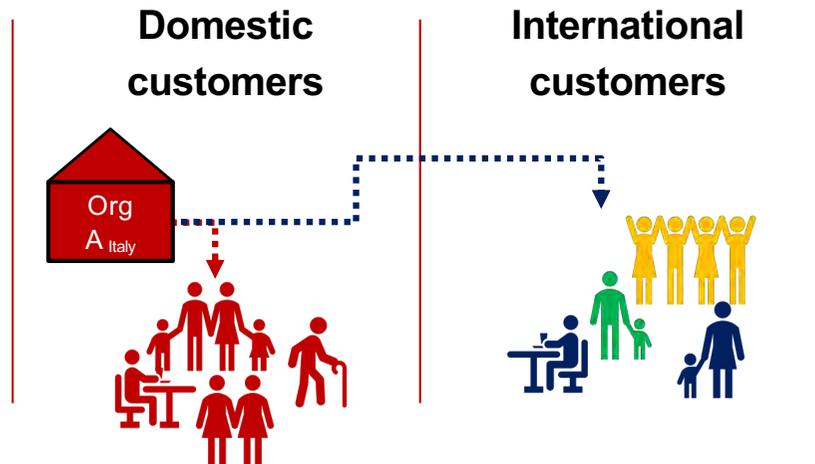
I.2 Building Blocks of a Successful Internationalization Strategy

I.3 Key Decisions: Why, what, where, when, and how?

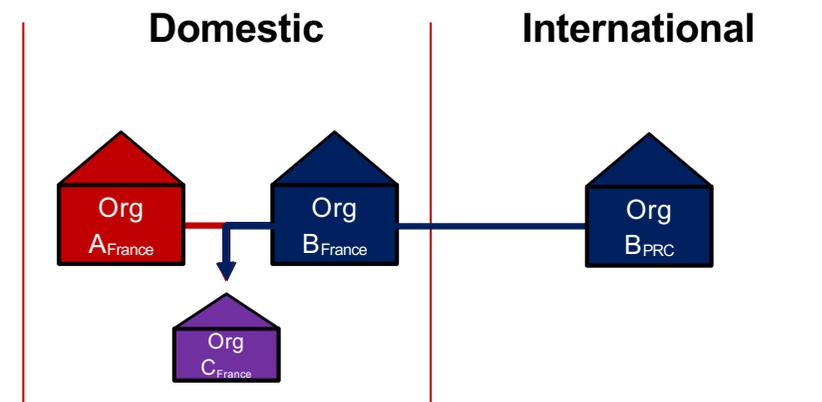
Questions and Answers



International Sales



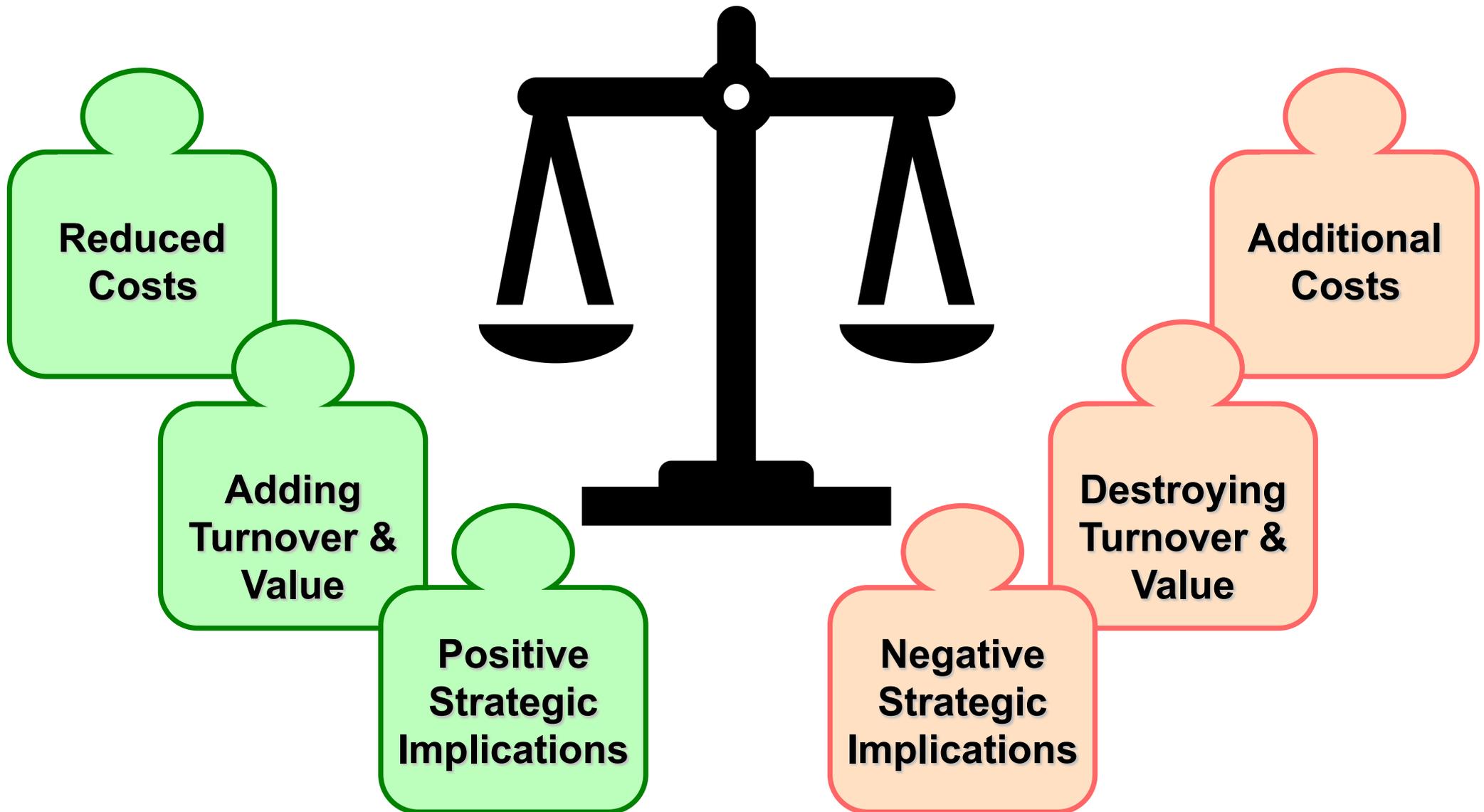
International Joint Ventures



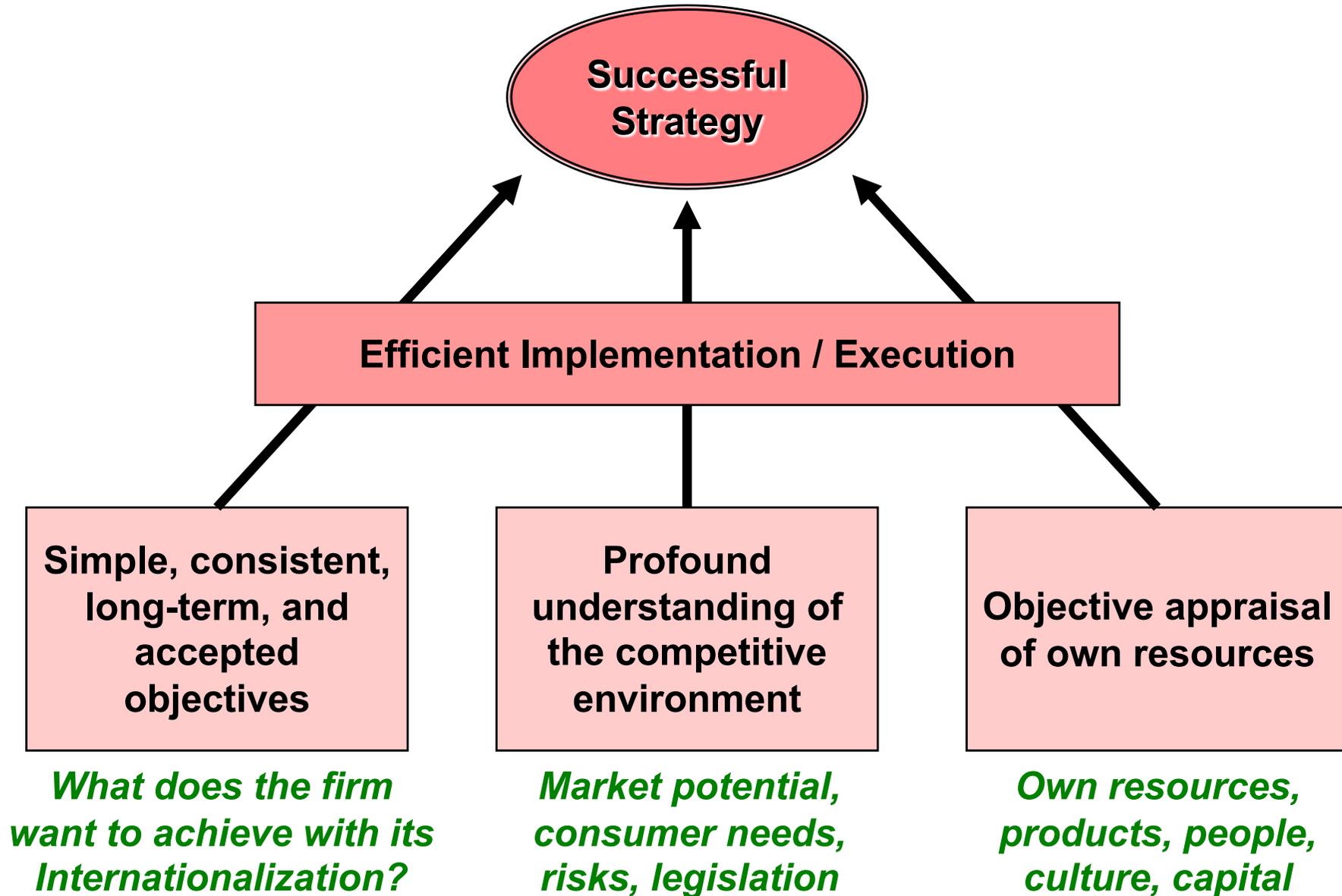
Challenges for your

- It's all about crossing 'borders'
- different 'hard' and 'soft' institutions
 - Legal systems, taxation
 - Values, norms and culture(s)
- Uncharted, often hostile territory
- **Products and services**
- **Distribution** processes
 - ... areas of tension between global standardization and local adaptation
- **External partnerships**
- **Internal** organization
 - ... regarding [business] culture and ethics;
 - ... regarding your organization's global mindset

Resulting in **uncertainty** and **risk** → failures, exploitation → costs ↑
if not managed well and not guided by an internationalization strategy



See among others Miller/Dess (1996), S. 291ff.



Grant (2010): 'Contemporary Strategy Analysis' p. 9f.



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Why ?

and to what extent should a firm pursue internationalization?

Consider opportunities and risks / benefits and costs

Define targets and establish controls



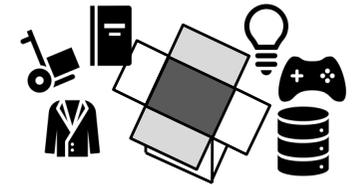
What ?

should a firm internationalize?

Analyze products and services

Upstream or downstream activities

Follow or create demand → customer



Where ?

should a firm internationalize?

Market opportunity assessment

“Uppsala” or “opportunistic” approach

Customer and product characteristics



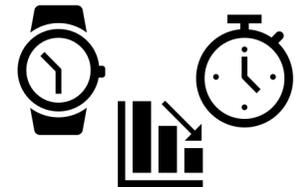
When ?

should a firm enter markets or fold its engagement?

Timing is key but double-edged

Organizational (and product) readiness

Don't throw good money after bad



How ?

should a firm manage foreign markets and operations?

Market entry sequence and mode

Partner selection and degree of ownership

Centralized vs. decentralized tasks

Performance measures and auditing

