

CEO Tip July 2013 – Just How Prepared is Your Company for Internationalization?

by Guido Quelle

Wherever you go, you hear that real growth can no longer be achieved in the domestic market alone. For now let's set aside the question of whether this is true in every individual case or just a convenient excuse. Either way, the fact is that more and more companies are focusing on internationalization, and that some of them don't seem to have quite thought the process through to its end.

For example, what is the point of a company looking to expand into Russia, if it doesn't take into account the fact that business conditions in Russia are completely different from those in Germany? What is the use of planning to expand in Asia if we "long noses" try to enforce our Western ideas on how to do business? Scribbling an important note on the back of a new acquaintance's business card is the best way to sabotage your business plans in Japan.

But nothing says that we have to look so far afield; there are plenty of opportunities for us Germans to establish new business relations within Europe. But those who are unable to muster the necessary level of courtesy common in France or the understatement favored in Great Britain will have a hard time of it. True, German companies do enjoy an increasingly positive reputation around the globe. But the real question that arises is: What are the owners and the Management at German companies doing to actually lay the groundwork for international expansion? Here are a few test questions:

- o How are the English skills when it comes to the Upper Management and the staff most involved in internationalization?
- o What about "everyday English?" Or are their language skills limited to technical vocabulary?
- o What about their fluency in the local language of your new target market if it's not English?
- o How much do you know about those negotiation principles that are accepted in your target market, and those that are frowned upon?
- o What other intercultural peculiarities of the target market are you familiar with and ready to effectively deal with?
- o How many managers and members of staff originally come from the target market (including the Upper Management)?
- o Do you have any connections to the press in your target market?
- o Which company strengths has your Marketing department formulated and adapted to the respective market?
- o How ready and willing is your team to create or expand on international business relations?
- o If you're establishing a branch office abroad: Who is going to go "over there" to help the local Management (which by the way should come from the target market)?

I've seen all too often that German "bullishness," coupled with an "it will work itself out" mentality, results in a great deal of head-shaking on the other side of the negotiating table. If you prefer to avoid this, make sure that both you and your team are truly focused on internationalization. Solid preparations will greatly boost your chances of success.

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