

Multinational corporations argumentative



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There are a number of reasons Multinational Corporations (MNCs) choose to internationalize. In some cases internationalization is just the next logical step in the growth path of a country regardless of its size. Looking into the international scenario, globalization is becoming more of a trend which means that the internationalization for many companies is become a necessity. Of course, there are the obvious advantages of growth, higher turnover, and higher returns in terms of profits and lower investment costs, when a company decides to go in for internationalization. In any case, once a company decides to go in for international expansion, the next step is to choose the appropriate strategy for investing in any foreign-country market. In the case of the company in focus (TopicalCare Group) its choice of investment mode was through acquisitions, spearheaded by its subsidiary, TopicalCare International.

Unfortunately, for both companies this initiative was a failure. Could it be that TopicalCare chose the wrong mode of entry or maybe the location for foreign direct investment (FDI) was wrong? The main objective of this research was to determine the possible strategies of re-entry into the Nigerian pharmaceutical industry by TopicalCare International in order to avoid the risk of another exit. To achieve this main objective, the following research questions were answered: What are challenges of market entry in a developing country context and how do these affect market entry choices? How do the market entry strategies vary according to the continuous development situation in Nigeria? Does TopicalCare's decision to enter the Nigerian market depend on any specific environmental conditions? Does TopicalCare need to any organizational-level changes before entering the

Nigerian market? What is the most optimum entry strategy into the Nigerian Pharmaceuticals industry? TopicalCare presently operates in numerous markets world wide. The company uses well its ability to leverage its global scale and scope to offer superior technology. However, can it enter and operate successfully in Africa's largest economy with its text book strategy of acquire and build or will it succumb to a more international strategy by joint venturing with local firms in order to share risks? Irrespective of what investment mode was chosen, this research served to enrich, deliver, and encourage research, as it concerns pharmaceuticals business in Africa. This research attempted to examine the possibility for the TopicalCare pharmaceutical business to internationalise across Nigeria.

Furthermore, it compared various modes of foreign markets entry strategy and made conclusions on how best TopicalCare should reinvest in Nigeria.