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International Business The purpose of this paper is to present my findings on a business case as Presented by Manuel Serapio d Ventusand Business-Process Outsourcing. The format that this paper will use is to first discuss expansion into the data segment, followed by a discussion of market, customer and geographic diversification. After this point the topic of supporting the current customer will be covered and a discussion on what would be the best path for growth for Ventus. ENTRANCE/EXPANSION INTO THE DATA SEGMENT Growth of the Market Difficulties Global Economic Downturn Wait and See In regards to entrance/expansion into the data segment there are a number of considerations that need to be made. Firstly there is the concern about the growth of the market. According to the case the data segment is likely to grow by over 50% to a total of 300 thousand employees typically in back office transactions, medical, engineering and software support. However, this market is not necessarily simple to break into and may require significant investment into relationship building and investing in the breadth of employees with these skills. With the global economic downturn it may be difficult to raise the capital to really get this project off the ground. Although it is the case that the PLDT acquired a company that specializes in providing medical and legal transactions they have not fully merged the companies and opted to keep the business entity separate. From this perspective they may be employing a “ Wait and see” strategy in which Ventus is simply waiting to see where the market is going before investing more heavily in this business venture. MARKET, CONSUMER & GEOGRAPHIC DIVERSIFICATION Push towards geographic diversification Better Mix between B-C & B-B In-House Sales Force Acquiring New Businesses Relationship Building In regards to market, consumer and geographic diversification there is little question that having too many eggs in one basket could be dangerous for any company. In regards to how the company can have a better mix between B-C customers and B-B customers Ventus could employ a strategy that make a real push to the latter. In the past, Ventus had focused primarily on business referrals however with the downturn in the U. S. economy it may require the recruiting of an actual American based sales force. With these sales professionals in hand the company would be better poised to acquire new customers or at the very least help to expand business processes with the existing customers. The next major concern would be the issue of how Venus could tap into telecommunications and other sectors that continue to grow despite the financial crisis and generate new business with emerging companies. The tapping into the telecommunications industry is tricky insofar as it would require a fundamental understanding of the industry. In general terms it could be the case that the best strategy would be to invest either in acquiring new companies that already operate in this field and then expand Venus’ presence in these operations. However the expansion into new growth markets would require individuals that have experience, as such it may require an investment in human capital that have extensive experience in these fields. With the expansion of business in the domestic market the company will have to leverage their expertise in the B-C market. This can be achieved through relationship building with key clients (In established and growth markets). As part of an active growth strategy, the company should use an in house sales force that would focus on acquiring new clients while the management of Ventus should focus on marketing efforts that promote the core competencies of the organization to outside organizations (Through direct marketing, free trial periods etc.). In regards to whether or not Ventus should focus on the emerging markets such as Hispanics in the United States and multinationals in China, I fundamentally believe that the company should focus on these segments. Although the Philippines was a Spanish colony, the case study did not specifically mention that Spanish is a widely spoken language on the archipelago, as such it would be wise to partner with organizations that have experience in these fields. From this perspective it would be wise to partner with or acquire organizations that already have experience with these markets. SUPPORTING CURRENT CUSTOMERS Value Added Services Expand into Data Segment Cost Cutting Without question the downturn in the economy will undoubtedly mean that existing customers of Ventus would be tightening their belts. From this perspective it would be wise to provide some value added services to existing customers to help prevent client divestment. Many of the B-B customers are not simply looking for simple call centre operations and are looking to cut costs across all operations. As such it would be wise for Ventus to expand their operations into the data segment to help make the operations of their customers more cost effective. However, it is the case that this would involve a significant investment in information technology so it may not be financially feasible to invest in these operations at this time. A second option would be to look at cost cutting within Ventus in order to pass these savings off to consumers in an effort to help be more cost effective. THE BEST PATH FOR GROWTH Expansion Market/customer/geographic diversification Best Strategy The best path that Ventus could utilize is tricky. Two options were provided for future growths which are expansion into the data segment and market/customer/ geographic diversification. In regards to data segment expansion the market is expected to grow significantly in several separate sub categories. However the market is becoming more crowded and as such would require more service for customers. A second concern would be that the business venture is significantly different than the current call centre option. Even with the acquisition of SPi technologies the business ventures are currently separate from each other. In regards to diversification there is no question that there is potential for growth in several different avenues such as the Latino market in the United States or multinationals in China. However the actual acquisition of these clients is challenging insofar as the company has no sales force presence in these markets. Taking this information into consideration it would be wise to employ a two pronged approach to market growth. In my opinion Ventus should slowly integrate the business processes gained from SPi technologies into the core business and generate synergy between the organizations to expand the potential to better accommodate the customer needs. Moreover a full sales force should be deployed to the United States to help track down new customers in the United States and potentially emerging markets within the United States. Moreover this strategy could also be deployed in China to attract multinational B-B customers.