

# International manager of a us business

Business, Management



There are three options that may be done in expanding to Western Europe. We can export from the United States, license a European firm to manufacture and market the computer in Europe, or to set up a wholly owned subsidiary in Europe. However, there are pros and cons to each. It is important to consider that the product is being protected with several patents. It is unique, and so this should be a chief consideration.

In deciding to export from the United States, we can ensure that the trade secrets of the product are kept safe in the company. There will be no need to involve outside people which will be required when the expansion is outsourced. However, this kind of expansion will breed higher costs in manpower so that the product supply will meet the demands. The taxes and duties for exportation is also another burden. Licensing a European firm for manufacturing and marketing is an option which will waive the problems on taxes and duties.

The cost of the product may then be also tailored to that in the European market because manpower costs for one will be at par with the European labor force. However, this will involve putting the trademarks of the product out in the open to the company to which its manufacturing and marketing is outsourced. It will be also be impossible to do this without divulging information because it will sacrifice the quality of the product. Setting up a wholly owned subsidiary will then be worth considering.

By doing so, the company will ensure that the patents will be well protected because the manufacturers and marketers will be employed by the company itself. There will be no outsourcing that will occur, which can compromise the

private information of the product. The detriment of putting up a subsidiary, however, is the costs of setting up and capitalization. Exporting from the US would be best. Despite taxes and export-import duties, it is the more economical and safer choice to introducing this breakthrough in Europe.