

# [Internal growth strategy essay sample](https://assignbuster.com/internal-growth-strategy-essay-sample/)

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Which approach is best as an international strategy? Why?   
The best approach for an international strategy would be external growth. The external strategy is developed based on different ways to increase the companies net worth. External growth focuses on building multiple relationships with business partners or different franchises in order to maximize their revenue. Internal would not be the best approach because this describes a company investing within their company in order to produce the best product or service. Examples of Internal growth would be trainings for employees, fixing building repairs, or experiments to improve their products.

Exporting – Exporting ships products that’s made in it’s home country to other countries. This is becoming really popular because of the great amount of small business flourishing out everywhere, and the different technology being used can help increase the need for products. Licensing – A licensing agreement is made with another firm within the desired country that gives them the right to sell the goods or service. Most well known companies decide to take this route if the don’t have enough funds to enter the country. Franchising – A franchise agreements gives the franchiser the right to open up another company using their name. There are many different franchises such as McDonalds, Pizza Hut, Subway, and Smoothie King. The franchiser has to pay the franchise a percentage of their sales. Joint Ventures -This entry can be described as the old saying “ Two heads are better than one”. A joint venture is when a domestic and internationally company join together and enter into a new country. The text revealed in 2007 Wal-Mart created a equal partnership joint venture with Bharti Enterprise in India, which is called Bharti-Mart. India has strict laws on the foreign retailers which hurt large supermarket companies. Wal-Mart decided that this would be the best way to enter the Indian market.

Reference

Wheelen, T. L., & Hunger, J. D. (2010) Concepts in Strategic Management and Business   
Policy (12th ed). Upper Saddle River, NJ: Pearson Prentice Hall.