International manager essay sample

Technology, Computer

I am the international manager of a US business that has just invented a revolutionary new personal computer that can perform the same functions as existing PCs but costs only half as much to manufacture. Several patents protect the unique design of this computer. My CEO has asked me to formulate a recommendation for how to expand into Western Europe. My options are (1) to export from the US, (2) to license a European firm to manufacture and market the computer in Europe

There are pros to exporting out of the U. S. If my company is solely based out of the U. S it is easy for me to have eyes and hands on abilities to manage my company and the cost of having this is cheap. It is cheap because I am already here. The down side to this is that it is much more expensive to pay employees wages here in the united states. The cost of doing business overseas when solely based out of the United States becomes very expensive. The cost of employees, the cost of the warehouse depending on weather or not it is leased or bought, the cost of exporting basicly all of your product except what is bought in the United States. These are all the down sides of doing business over seas when based solely out of the United States. Now these are all also the advatages of doing business overseas if we were to license a European firm to manufacture and market the computer in Europe.

Unfortunitly The travel expense would be costly but at the same time you would save tremendously in shipping costs. This ofcourse is all assuming your biggest customer base is on that side of the world. If the biggest customer base is infact in the United States then this entire theory should be completely reversed. Another downside to option number two is that you give a great deal of trust to another company and are betting on that companies management skills. If you contract a poor company to produce your computers you run the risk of having a poor product release and in turn risk your companies reputation. This is a risk that can somewhat be managed by proper research and small trial and error test runs. This obviously isn’t a decision that is made quickly and without much fore thought.

I would recommend that we do a cost anaylisis and determine exactly what the cost of doing business is and what exactly we can afford without stepping to much into our profit margin. I would be willing to pay alittle more for a better company that would be able to produce a quality product. This is justified because of the fact that we have figured out a way to produce a product for half the cost. This being said, I think that the profit margin is already set pretty high so there is room to budge for spending having to do with quality assurance. A reputation is very hard to build but once it is built it is very easy to turn it into a bad one. If we start off on the right foot then we aren’t going to have to worry about trying to recover a major mistake. Proper research and a well thought out stategy can prevent us from coming back and doing this from the beginning all over again.