

# Discussion: foreign projects

Finance



**ASSIGN  
BUSTER**

Response I agree to the vice president's premise and consider it to be true. My opinion is grounded in this realization that the core competency of our company is in the areas that can easily be relocated overseas. Having been in the business for some time, I, as the director of new business development for our company, am experienced and equipped with the required skills and capabilities to develop our business overseas. Cheaper cost of labor will not only make the business more profitable for the company, but the company might also consider recruiting more staff to make the system of customer care through call centers more efficient as there would be more operators available to attend the calls. In spite of these estimated benefits, we will have to deal with certain challenges in the start as expansion is not really that simple. A range of factors make expansion into foreign territories a risky decision. Organizations expanding into foreign countries are exposed to the risks posed by politics and culture of the host country (Quer et al., 2012). In addition to that, the existing staff might have to be trained and facilitated in adaptation to the culture and laws of the host country. Sometimes, dealing with these challenges adds so much indirect cost to the business that doing business in the homeland proves a better option, so higher returns cannot be generalized for foreign projects. In order to overcome these challenges, it is important for managers to recognize the strategic options of the country-of-origin in order to deal with the liability associated with foreignness (Moeller et al., 2013). Failure to achieve this might result in a stigma for the organization as a whole including its reputation, brand loyalty, and workforce.

#### References:

Moeller, M., Harvey, M., Griffith, D., & Richey, G. (2013). The impact of  
<https://assignbuster.com/discussion-foreign-projects/>

country-of-origin on

the acceptance of foreign subsidiaries in host countries: An examination of the liability-of-foreignness. *International Business Review*, 22, 89-99.

Retrieved from the Walden Library databases.

Quer, D., Claver, E., & Rienda, L. (2012). Political risk, cultural distance, and outward foreign

direct investment: Empirical evidence from large Chinese firms. *Asia Pacific Journal of Management*, 29(4), 1089-1104. doi: [http://dx. doi. org/10.](http://dx.doi.org/10.1007/s10490-011-9247-7)

1007/s10490-011-9247-7

Retrieved from the Walden Library databases.