

# Management principles



**ASSIGN  
BUSTER**

Management Principles Currently international management at MH Company consists of one person. What specific management principles and practices should MH company begin to put in place that will assist the company as their international expansion plans move forward and their international business begins to grow? Consider possible partnerships with international consultants who can assist with cultural and social factors.

Before any proposal for strategy and the establishment of international management division for the global expansion of Monster Healthcare Company could be developed, it is important to underscore - for the benefit of the managers at MH company - that the global pharmaceutical market continues to grow despite the global financial downturn and that from 1998 to 2007, the global sales have more than doubled. (Griffin, p. 297) As the leader in the industry, there is a great demand for US pharmaceutical products and that international expansion is inevitable.

As the business begins to grow, the international market for MH Pharmaceutical's wheelchairs become more complex and diverse. The importance of a coherent strategy to address this challenge implemented by an equally capable international management division is pivotal to the success and growth of the company.

### Partnership

One logical strategy in approaching international expansion is entering into a joint venture with local partners. The local partners could allow entry to a restricted market and at the same time draw on local expertise, capital and labor. This is particular helpful considering the fact that there are differences in the way countries use pharmaceutical products and differences in the regulation by the different governments. Social, cultural and political

variables are all coming into play in specific locations for target operations. And so, operating with partners who are familiar with a country's markets, suppliers, infrastructure, government regulations and customers is invaluable in the cost reduction and the speed and ease of setting up a local operation for marketing and sales.

The disadvantage of this strategy is that it is time-consuming, with all the negotiations taking place. In addition, partnership may not also be viable MC company if it is concerned with the expenditures because setting up operations – marketing, sales and distribution - for this option can be costly.

#### E-Commerce

If the MH Company management rejects the previous strategy, then it could tap the wonders of technology to reach out to its target market across the globe. The increase of the use and availability of technology is making international marketing, sales and distribution easier. Integrating an online platform or e-commerce as the main channel for marketing and sales for the international division has its advantages. First, setting up this kind of infrastructure is easier and less costly. In addition, there is a high degree to which the headquarters can control the operations of the international division.

For both of the management principles/practices mentioned above, an important factor is required: The employment of international consultants to advise the international division in the management of its international operations and/or subsidiaries. These consultants would be able to deal for MH Company cultural challenges, language barriers and other factors related to the diversity of the international market. Here, it would be easier to deal with unique problems and challenges posed by different national markets

and conditions.

Again, in order to set up an efficient division to spearhead MH Company's international expansion, it is important that international consultants are employed or to partner with locals in order to appropriately address challenges posed by local issues. Furthermore, for joint ventures, more freedom should be given to local managers in regard to marketing and problem solving because they better understand the environment. Finally, technology is also pivotal in the success of MH Company's international expansion regardless of the management strategies employed. Online transaction must be integrated to the cohesive international strategy as it cut both time and cost for wheelchairs to be delivered to international clients.

#### Reference

Griffin, John. (2009). *The Textbook of Pharmaceutical Medicine*. John Wiley and Sons.