

Batna case (anyco) essay sample

[Business](#), [Marketing](#)



AnyCo is a US consumer product company enjoying broad distribution and dominant market share in its domestic market. An opportunity exists to penetrate and perhaps dominate an offshore market, PseudoLand, worth an estimated \$20 million in sales per year. Domestically, however, each dollar of revenue consistently produces the following income statement (P/L):

Sales\$1. 00

Delivered Cost of Goods . 55

Gross Profit\$. 45

Selling Expns . 06

General & Admin Expns . 30

Operating Profit\$. 09

AnyCo has already begun exporting to PseudoLand and, as expected, commissions (selling expenses) are higher overseas. AnyCo's board of directors is committed to maintaining the company's current capital costs, and is attracted to this opportunity because it returns nearly the same operating profit (as a % of sales) as its current business in the US. However, the company's managers want to diversify the offshore distribution strategy in order to maximize penetration. Three modes of distribution have been identified:

1. An export company has taken charge of the effort to date, but this arrangement is not exclusive.
2. Selling directly to PseudoLand consumers over the internet
3. Using a local distribution company to sell products in