

Unit 43: Tapping into New and International Markets

Unit code R/508/0603

Unit level 5

Credit value 15

Introduction

In today's global environment, organisations are constantly looking at new ways to expand internationally. With the rise of digital technology and the reduction of barriers to entry this is easier than ever before, but all organisations must consider a range of options when making the decision to expand internationally. In this unit students will explore how organisations are able to move into international markets, assessing the opportunities and threats of them doing so. The unit aims to provide students with the key tools and techniques to aid organisations to evaluate whether they should tap into international markets and assess the various implications of doing so.

Learning Outcomes

By the end of this unit a student will be able to:

- 1 Analyse the opportunities and threats for firms exposed to an increasingly globalised environment.
- 2 Illustrate the advantages of trading blocs for firms.
- 3 Determine the importing and exporting process and the practicalities involved.
- 4 Evaluate ways SMEs can tap into international markets.

Essential Content

LO1 **Analyse the opportunities and threats for firms exposed to an increasingly globalised environment**

The global context for small business and entrepreneurship:

Global expansion and opportunities for entrepreneurs and small businesses.

Challenges and threats of globalisation for entrepreneurs and small businesses.

Growth of (local and global) competition.

The rise of the 'born globals'.

E-commerce as a tool for entrepreneurs and small businesses to go global, including websites with e-commerce capabilities (e.g. virtual shopping carts, secure online payments and social media presence).

The application of data protection and Cybersecurity.

Recognition of rules and regulations.

LO2 **Illustrate the advantages of trading blocs for firms**

Context for international trade and trade blocs:

What is international trade?

International trade theories: country similarity, product life-cycle, global strategic rivalry and Porter's national competitive advantage.

Types of trade blocs and regional trade agreements and their role in facilitating SME trade.

Grants, subsidies and special arrangement for SMEs.

Trade controls and tariffs.

Context for importing and exporting for SMEs.

LO3 Determine the importing and exporting process and the practicalities involved

Rationale for importing and exporting for SMEs:

What are the considerations when importing and exporting?

Securing an import or export deal.

Merchandise importing and exporting.

Service importing and exporting.

Licensing.

LO4 Evaluate ways SMEs can tap into international markets

Methods used to expand into international markets:

Business planning for expanding into international markets; assessing markets, financial support, distribution and transportation channels, legal considerations and international regulations.

Licensing and Franchising agreements.

Creating Joint ventures.

Establishing connections and partnerships with larger organisations.

Setting up and establishing outlets/branches abroad.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Analyse the opportunities and threats for firms exposed to an increasingly globalised environment		LO1 and LO2 D1 Critically evaluate how SMEs are able to take advantage of international opportunities and overcome barriers.
P1 Explain the global business environment in which small and entrepreneurial businesses operate. P2 Analyse the threats and opportunities that face SMEs in an increasingly competitive global environment.	M1 Provide evidence-based analysis of the global business environment in which small and entrepreneurial businesses operate using specific examples. M2 Critically analyse the implications of threats and opportunities that face SMEs in an increasingly competitive global environment.	
LO2 Illustrate the advantages of trading blocs for firms		
P3 Determine and analyse the advantages of international trading blocs and agreements. P4 Explain the various tariff and non-tariff barriers that exist in the international trading environment.	M3 Evaluate the advantages of international trading blocs and agreements and their implications for SMEs.	
LO3 Determine the importing and exporting process and the practicalities involved		D2 Produce valid and justified recommendations for use of different approaches in an international context.
P5 Determine the advantages and disadvantages of importing and exporting and how to secure a deal. P6 Explain the differences between merchandise and service imports and exports.	M4 Apply the appropriate import and export process to an organisation and make recommendations on how they could be applied in an international context.	

Pass	Merit	Distinction
<p>LO4 Evaluate ways SMEs can tap into international markets</p>		<p>D3 Justify recommendations with supported critical consideration and evaluation of the implementation of different methods.</p>
<p>P7 Evaluate the various methods in which SMEs can tap into international markets.</p> <p>P8 Compare and contrast the various ways SMEs can tap into international markets, assessing the pros and cons of each method.</p>	<p>M5 Evaluate different methods SMEs can use to tap into various markets with application to a small business or entrepreneurial venture, making valid recommendations.</p>	

Recommended Resources

Textbooks

BARTLETT, C. and BEAMISH, P. (2011). *Transnational Management: Texts, Cases, and Readings in Cross-Border Management*. 6th Ed. Maidenhead: McGraw-Hill.

PENG, M. (2014) *Global Business*. 3rd Ed. London: Cengage Learning.

RUGMAN, A. and COLLINSON, S. (2012) *International Business*. 6th Ed. Harlow: Pearson.

WALL, S. and MINOCHA, S. (2015) *International Business*. 4th Ed. Harlow: Pearson.

GIOELI, A. (2014) *International Business Expansion: A Step-by-Step Guide to Launch Your Company Into Other Countries*. Over and Above Press.

Links

This unit links to the following related units:

Unit 18: Global Business Environment

Unit 29: Managing and Running a Small Business

Unit 40: International Marketing