

Unit 56: 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 relaxation 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. They will investigate international trade theories and approaches to expanding internationally by importing and exporting. The unit aims to give students key tools and techniques to aid organisations in evaluating whether they should tap into international markets and assess the various implications of doing so.

On completion of this unit, students will have a clear understanding of the international environment and considerations that need to be made by business if they are seeking to expand on an international scale. This is invaluable knowledge and understanding for students who aspire to work in the global business arena.

Learning Outcomes

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

- LO1 Analyse the opportunities and threats for firms exposed to an increasingly globalised environment
- LO2 Evaluate the membership of trading blocs as a vehicle for expanding internationally
- LO3 Determine the importing and exporting process, and the practicalities involved
- LO4 Devise ways in which an SME organisation 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', transnational companies (TNCs) and multinational companies (MNCs).

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, social media presence.

The application of data protection and cybersecurity, and local regulatory requirements

Recognition of rules and regulations.

Cultural norms to be observed when conducting international business.

LO2 **Evaluate the membership of trading blocs as a vehicle for expanding internationally**

Context for international trade and trade blocs:

Defining international trade.

International trade theories, including country similarity, product lifecycle, global strategic rivalry and Porter's National Competitive Advantage Theory.

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

The role of the World Trade Organization (WTO) and government agencies in facilitating international trade.

Grants, subsidies, quotas 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:

Factors to consider when importing and exporting, e.g. innovation and creativity, resources and capabilities, PESTLE analysis of intended new markets, customs and business practices.

Merchandise importing and exporting.

Service importing and exporting.

Licensing.

LO4 Devise ways in which an SME organisation 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.

Methods of establishing a presence in international markets, including licensing and franchising agreements, joint ventures, establishing connections and partnerships, and 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 Formulate recommendations for SMEs based on international opportunities, risks and overcoming 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 Evaluate the membership of trading blocs as a vehicle for expanding internationally		
P3 Compare advantages and disadvantages of international trading blocs and agreements for SMEs to expand internationally. P4 Assess the various tariff and non-tariff barriers that exist in the international trading environment.	M3 Critically evaluate 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 Devise ways in which an SME organisation can tap into international markets.</p>		
<p>P7 Compare the various ways in which SMEs can tap into international markets, assessing the pros and cons of each method.</p> <p>P8 Develop appropriate methods to tap into international markets for an SME business venture.</p>	<p>M5 Develop different methods to tap into various markets that align with the overall business objectives of an SME business venture.</p>	

Recommended Resources

Textbooks

HILL, C. and HULT, T. (2018) *ISE International Business: Competing in the Global Marketplace*. 12th Ed. London: McGraw-Hill.

PENG, M. and MEYER, K. (2019) *International Business*. 2nd Ed. London: Cengage Learning.

RUGMAN, A. and COLLINSON, S. (2020) *International Business*. 8th Ed. Harlow: Pearson.

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

Websites

www.businesscasestudies.co.uk	Business Case Studies Growing a company by acquisition (Case studies)
www.talk-business.co.uk	Talk Business Four Ideas for Tapping into New Market (Article)
www.velocityglobal.com	Velocity Resources (General reference)

Links

This unit links to the following related units:

Unit 25: Global Business Environment

Unit 50: International Marketing