

Workshop: Internationalisation

FOSO-POCO

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What is internationalisation?

Taking steps to **increase the footprint of the organisation or capture greater market share outside of its country of domicile** by branching out into international markets.

The process of **designing products and services to meet the needs of users in many countries** or designing them so they can be easily modified, to achieve this goal.

Internationalisation theories

- Uppsala Model (Johanson & Vahlne, 1977)
 - Going international step-by-step (step 1: only domestic, step 2: export via independent representative, step 3: establish foreign sales subsidiary, step 4: foreign production / manufacturing)
- Network Approach (Johanson & Mattsson, 1988)
 - find local network, partner with them
- Born Global (Oviatt et al, 1994)
 - borderless world view from scratch
 - world as a marketplace
 - differentiation tactics for specialising in different markets

Why go international?

- Market drivers
- Cost drivers
- Governmental drivers
- Competitive drivers

Individual work and sharing:

- Share what your organisation does
- What model of internationalisation your organisation uses / should use
- Why do you want / need to go international?

**What does it mean and take to
go global / international?**

1. Consider the local situation

- “When in Rome, do as the Romans do”
- In what countries do you operate / plan to operate?
- What are the socio-economic characteristics?
- What is the market structure? How are the customer needs met today?
- Timezones / Formats / Standards

TABLE 1.1 Ease of doing business ranking

Rank	Economy	EODB score	EODB score change
1	New Zealand	86.59	0.00
2	Singapore	85.24	+0.27
3	Denmark	84.64	+0.59
4	Hong Kong SAR, China	84.22	+0.04
5	Korea, Rep.	84.14	-0.01
6	Georgia	83.28	+0.48
7	Norway	82.95	+0.25
8	United States	82.75	-0.01
9	United Kingdom	82.65	+0.33
10	Macedonia, FYR	81.55	+0.32
11	United Arab Emirates	81.28	+2.37
12	Sweden	81.27	0.00
13	Taiwan, China	80.90	+0.24
14	Lithuania	80.83	+0.29
15	Malaysia	80.60	+2.57
16	Estonia	80.50	+0.01
17	Finland	80.35	+0.05
18	Australia	80.13	-0.01
19	Latvia	79.59	+0.33
20	Mauritius	79.58	+1.29

Source: World Bank 2017



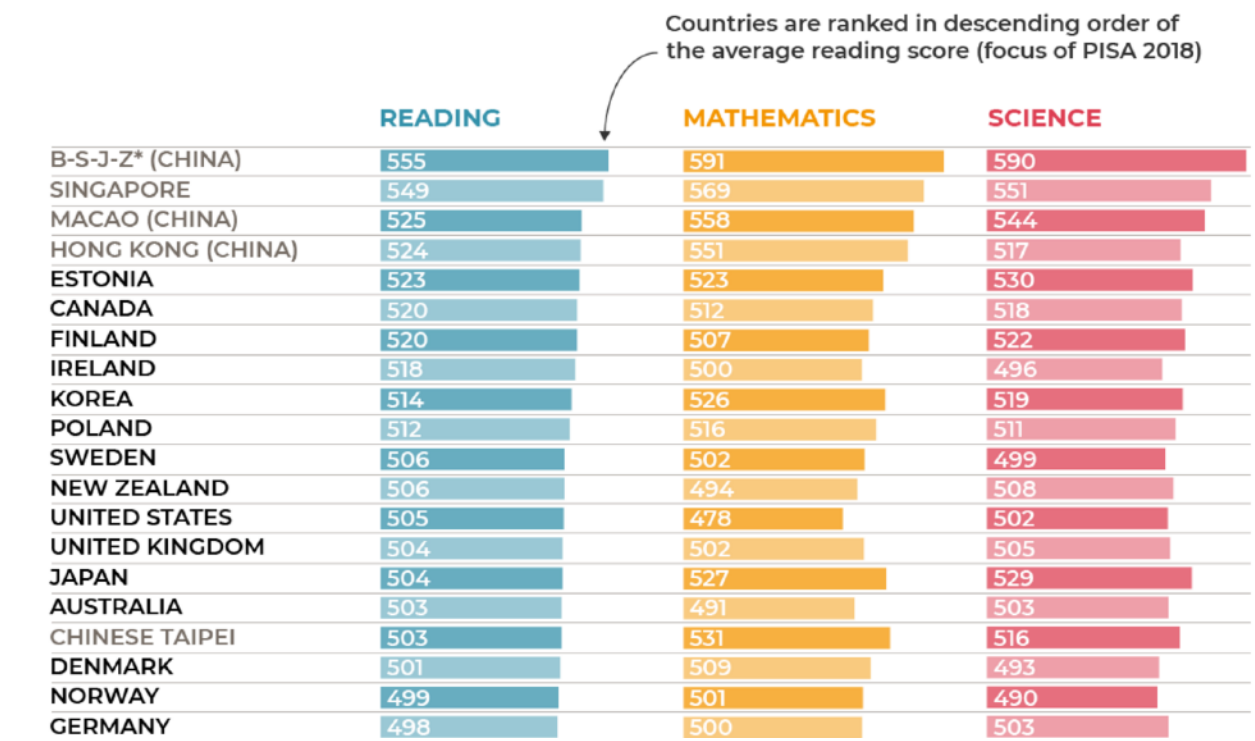
Source: e-resident.gov.ee



Source: startupestonia.ee

PISA 2018 results

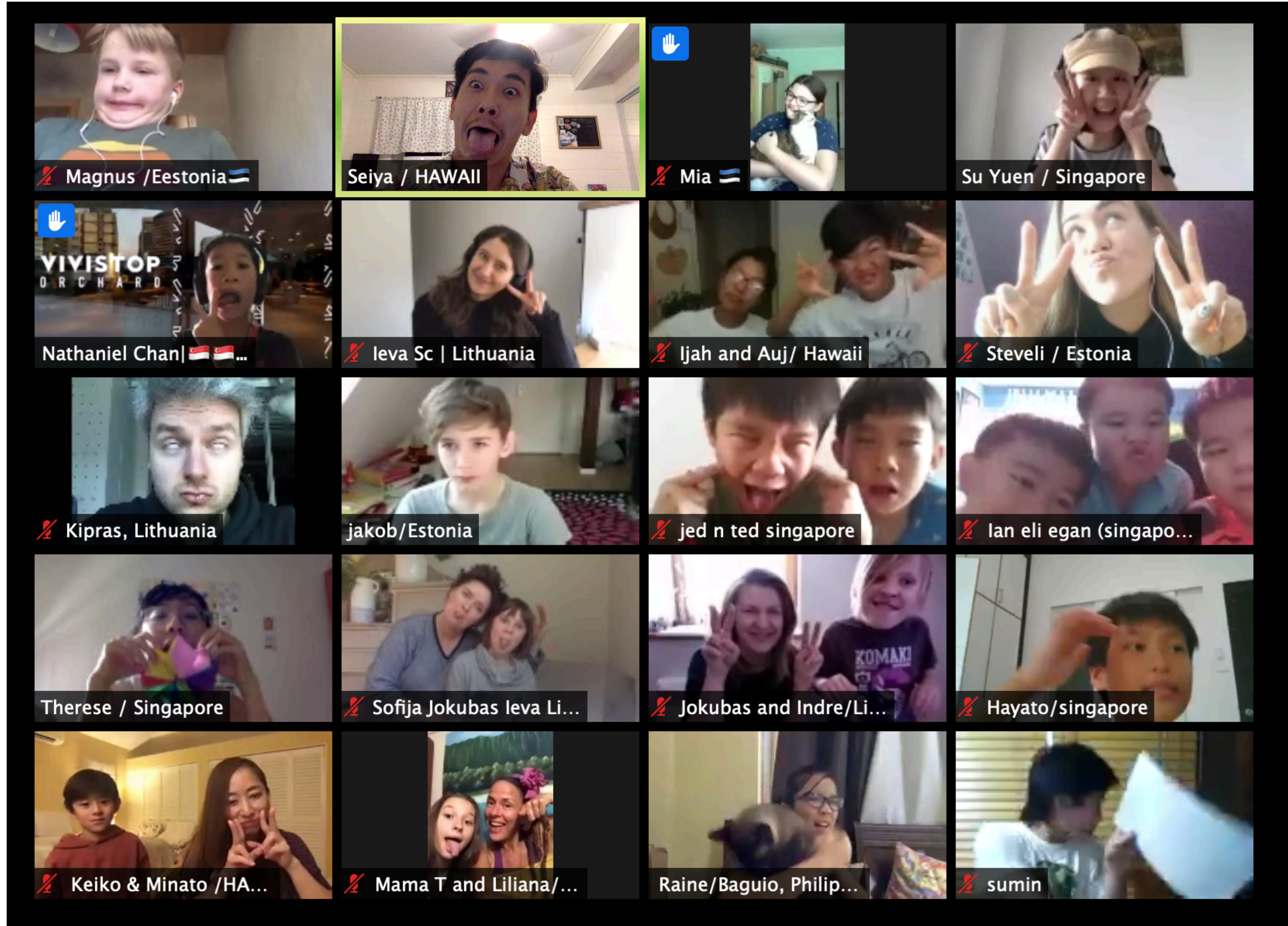
Snapshot of students' performance in reading, mathematics and science



Source: oecd.org

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2. Organisational structure

- Where does it make sense to have your HQ?
- Consider legal regulations / ease of doing business / potential language barriers / ability to attract investments

3. Risk Management

- Financial compliance
 - fundraising
 - taxation
- Legal compliance
 - IP protections
 - data privacy regulations (e.g. GDPR, CCPA)
 - child protection regulations
 - standardisations (CE, FCC markings)
- Pandemic related challenges





4. Personal Resources

- Global talent pool
- Diverse working culture
- Employment regulations
- Language skills
- Working in different time zones



WHAT
DO YOU
MEAN
?

Individual work and sharing:

- Consider the local situations in countries you plan to operate in - what aspects should you take into consideration?
- What are team related questions to take into consideration when going international?
- Risk management - what are technical, cultural, legislation related and localisation related roadblocks to take into consideration?

Thank you!