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The Implications of Selling Globally

*Best Practices in Global Business Education*

*UNC Center for International Business Education & Research and NC Dept of Commerce*
The Implications of Selling Globally

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Kenan-Flagler Business School
UNC Chapel Hill

Best Practices in Global Business Education Webinar Series
UNC Center for International Business Education & Research and NC Department of Commerce
Agenda

• Reasons for “Global”
• “New Market” Differences
• Global Growth Strategy Implications
  – Market
  – Product
  – Channel
• Other Considerations
• Critical Success Factors
The BRICSx “carrot”
Growth Options

Based on work by Igor Ansoff, 1963
Growth Options

Market Penetration
• Saturation
• Comp. Advantage

Based on work by Igor Ansoff, 1963
Growth Options

Product Development
- Connect Feature to Need

Based on work by Igor Ansoff, 1963
Growth Options

Market Development

Diversification

Based on work by Igor Ansoff, 1963
New Market …What is Different?
New Market …What is Different?

• Needs
• Competition
• Customer Politics
• Language / Culture
• Buying Process/Criteria
Growth Strategy

Growth Plan

Market Strategy

Product Strategy

Channel Strategy
Growth Strategy

- Growth Plan
- Market Strategy
  - Product Strategy
  - Channel Strategy
Market Strategy

• Segmentation …can you…
  – Characterize …?
  – Size …?
  – Identify …?
  – Target/Communicate …?
  – Understand …?
Value-Based Segmentation

Investment by the Seller

Investment by the Buyer

- Intrinsic Value
- Extrinsic Value
- Strategic Value

Rethinking the Sales Force, DeVincentis and Rackham
3 Modes of Selling

- Enterprise Selling
- Consultative Selling
- Transactional Selling

Investment by Seller vs. Investment by Buyer

Rethinking the Sales Force, DeVincentis and Rackham
3 Modes of Selling

- **Transaction Selling**
- **Consultative Selling**
- **Enterprise Selling**

Investment by Seller vs. Investment by Buyer

Rethinking the Sales Force, DeVincentis and Rackham
Transactional Buying and Selling

• Simple offering
• One or few buyers
• Primary drivers = cost, ease of ordering, ease of acquiring
• Differentiation – price, function, speed
• Short buy/sell cycle
• Make it *Easy to Buy* and *Easy to Sell*
Transactional Selling

• Easy to Buy
  • Self-identify (need)
  • Self-select (solution)
  • Evaluate risk (references)
  • Understand cost (incl. TCO)
  • Practical implementation plan supports rapid decision
3 Modes of Selling

- Transactional Selling
- Consultative Selling
- Enterprise Selling

Rethinking the Sales Force, DeVincentis and Rackham
Consultative Selling

Characteristics

• Complex product
• Team buyer
• Team seller
• Differentiation – solution, TCO, risk, relationship
• Easy to buy
Easy to Buy

• Sales person understands my business
• Sales person recommends a solution
• Sales person positions the solution in my terms – “business value”
• Sales person provides a practical implementation plan
• Sales person provides a proposal which mitigates risk / maximizes success
Growth Strategy

- Market Strategy
- Product Strategy
- Channel Strategy
Product Strategy

• Product
  – Capabilities
    • Product + Services + Expertise

• Price
  – Packaging
  – Market “standards”
Product Strategy

Based on: Competitive Advantage, Michael Porter, 1985
Growth Strategy

Growth Plan

Market Strategy

Product Strategy

Channel Strategy
Channel Landscape

Brand Owner

Sales Channel Choice

Direct

VAR's

Resellers

Retailers

Agents

Brokers

Face-to-Face

Tele

Web

Catalog

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Catalog

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The Role of Channel

Based on work by Igor Ansoff, 1963
The Role of Channel

Based on: Competitive Advantage, Michael Porter, 1985
Building a Channel

- Selection
- Development
- Management
Ultimate question?

• How does the (real)customer?
  – Learn
  – Shop
  – Buy
  – Get ongoing support
# Channel – Pros and Cons

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solution Completion</td>
<td>Price Control?</td>
</tr>
<tr>
<td>Cultural Compatibility</td>
<td>Faithful Representation?</td>
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<tr>
<td>Market / Customer Knowledge</td>
<td>Voice of the Customer?</td>
</tr>
<tr>
<td>Product Knowledge</td>
<td>Forecast Visibility?</td>
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<tr>
<td>Access – macro</td>
<td>Loyalty?</td>
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<tr>
<td>Access - micro</td>
<td>Focus?</td>
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<tr>
<td>Fixed vs. Variable Costs</td>
<td></td>
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<tr>
<td>Ramp-up time</td>
<td></td>
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</tbody>
</table>
Other Considerations

• Competition
  – Differentiation
• Culture
• Language
Urban Myth

Chevy Nova Hatchback

“No va” = “doesn’t go”
## Lost in Translation

<table>
<thead>
<tr>
<th>English</th>
<th>Translation/Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Sic</em></td>
<td>French soda drink</td>
</tr>
<tr>
<td><em>Bum</em></td>
<td>Spanish chips</td>
</tr>
<tr>
<td><em>Tiz</em> (Iranian Razor)</td>
<td>Qatar -&gt; “passing wind”</td>
</tr>
<tr>
<td>“Finger Lickin’ Good”</td>
<td>China -&gt; “Eat your finger off!”</td>
</tr>
<tr>
<td>“Come alive with the Pepsi Generation”</td>
<td>Korea -&gt; “Pepsi will bring your ancestors back from the dead!”</td>
</tr>
<tr>
<td>“The future’s bright …the future’s Orange”</td>
<td>Northern Ireland</td>
</tr>
<tr>
<td>Clairol “Mist Stick”</td>
<td>Germany -&gt; “Manure Stick”</td>
</tr>
<tr>
<td>United Airlines white carnations</td>
<td>Far East -&gt; symbolizes death and misfortune</td>
</tr>
</tbody>
</table>
Critical Success Factors

- Characterize the *Market*
- Confirm or Create *Product*
- Construct *Channel*
- Create *Competitive Differentiation*
- Conform to *Cultural Norms*
- Consider the Effects of *Change*
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