

## 06 Globalization and Environment

### 01 Globalization strategy

#### 01 System for overseas development

##### 01 System for overseas development

###### 01 Is the desire of the top management to develop overseas vigorous and is it understood in the whole enterprise?

- Y Do you have a stand not only to develop your business but also to contribute to the country to be developed?
- N In overseas development, both strong desire of the top management and good understanding of the whole enterprise are indispensable.

###### 02 Is there an inevitable reason, to promote overseas development and a possibility to occupy a dominant position in the global market by taking advantage of your strength?

- Y What is the reason to develop the overseas business? Assess if the domestic strength of the enterprise can be an advantage in foreign markets.
- N Let them examine whether the enterprise is on a phase to develop overseas markets.

###### 03 Do you have any spare management resources that make overseas development possible without making any hindrance to domestic management?

- Y As a result of investment of funds, securing staff to be dispatched to the foreign field and the like, don't your domestic resources become short?
- N In overseas development, it sometimes has to invest much more resources intensively than in the domestic development.

###### 04 Do you conduct international information exchange by using the internet?

- Y Check the present use of the internet for overseas development and let them study measures for further utilization.
- N Use of the internet in the overseas development is indispensable in order to realize an agile management activity and reduction of information cost.

#### 02 Aim of overseas development

##### 01 Aim of overseas development

###### 01 In case the aim of your overseas development is substitution of your domestic supply to the overseas, do you have a foresight to secure the advantage for a long time?

- Y How stable are the political and economic future, and the position in the global market? Have you considered the country risk?
- N Let them foresee the duration of the advantages in relation to a recovery plan of the overseas investment.

###### 02 In case the market of the country to be developed is your target, is the growth capability of the market high enough and do you have a prospect to win against your competitors?

- Y Please explain the basis of your prospect on growth capability and competition especially with your domestic competitors in the country to be developed.
- N Are the scale of the market and your share that you expect to get in it adequate?

###### 03 When you develop an overseas business under the request of your parent enterprise, do you always watch your parent's management stand?

- Y Do you obtain a long term plan of your parent enterprise and forecasting changes of the foreign and domestic management environments?
- N There may be a case that the parent requests very strongly to you to develop an overseas business initially. But it may not be able to take care of you later due to changes of the overseas or domestic management environments.

#### 03 Stability of the country to be developed

## **01 Stability of the country to be developed**

### **01 Is the infrastructure of the country to be developed being in good conditions for your business activities?**

- Y From where have you got the information of the infrastructure? Have you made the field survey by an expert?
- N In overseas business, defects on infrastructure that you cannot imagine in your home country may exist.

### **02 Do you understand in your overseas business you have to consider problems based on the nature, race, religion and the like, which you need not care in the domestic business?**

- Y Have you got the understanding through your field experience?
- N Explain to them the difficulties to cope with those problems.

### **03 Does the legislation related to the industries often get revised? Does it make the rules and conditions stricter?**

- Y Grasp the facts through the lawyer and the like, and forecast the future from the political and economic circumstances of the country.
- N Let them grasp how their profit has been squeezed in the field as the result of rules and regulations being tightened.

## **04 Local partner**

### **01 Local partner**

#### **01 Does your staff dispatched keep a good communication with your local partners and do they have satisfactory cooperation?**

- Y Do the good relations and cooperation help to increase your profit?
- N When they are not in good relations, let the enterprise investigate which side is responsible for the problem and how to settle it.

#### **02 In the case of a joint venture, do you choose a partner who does not have possibility to make trouble with investment ratio and the like?**

- Y Even if there is not any problem now, will it happen to have a trouble due to stagnation of the growth, the successor and the like in the future?
- N When there is any problem on reliability of the partner by hearing the evaluation of staff in the field, some measures to cope with it should be taken urgently including dissolution of the contract.

#### **03 Do you always grasp information of your oversea partner and customers? Are your selection of your agents and your various contracts secured?**

- Y Please explain how you get information and how you use an expert on contracting.
- N You should fully use an expert who is well acquainted with information of the field.

## **05 Procurement and use of funds**

### **01 Procurement and use of funds**

#### **01 Do you make best use of the financial market of the country you have developed and manage to conduct favorable capital procurement?**

- Y Don't you consider too much of the low interest rate and overlook a risk to borrow a foreign currency, which is at the mercy of fluctuating exchange rate?
- N At business in foreign countries, utilization of the local financial market is important.

#### **02 Do you make use of a method such as netting and the like in order to evade the foreign exchange risks, to save remittance charges and the like?**

- Y Does the head office control global use of the capital?
- N Procurement and use of capital without control of the head office is not desirable also from the viewpoint of the internal check.

## **02 Overseas transaction**

### **01 Export and import**

#### **01 Export transaction**

##### **01 Do you study to develop overseas market by export? Can your products and services be exported?**

Y Have you established such strategy as to which country and which goods you shall export, and how far you shall develop the market in the future?

N Is the reason you cannot export due to lack of comparative advantage or any problem in your management resources? Can you make it possible to export by modifying your present products or services?

##### **02 Do you make a market research on goods and market for export?**

Y Is the research made for yourself or consigned to outsourcing?

N Advise them to collect as many information as possible in the home country, then to make a overseas field survey.

##### **03 Do you survey the country risk for export and the trade risk, in order to manage a measure to escape from these risks?**

Y Do you get any assistance from an expert for survey of and escape from the risk?

N Explain to them where the risk is and how to escape from it.

#### **02 Import transaction**

##### **01 Do you differentiate your goods by import of overseas products?**

Y Do you manage measures to avoid various risks in import?

N If you are behind of your competitors at import transaction, you may probably have disadvantage.

##### **02 Do you try to increase the strength of your goods by development import, parallel import and the like?**

Y Do you thoroughly examine reliability, safety, selling minimum lot and the like of the goods?

N Do your goods have enough strength you can do without depending on import?

##### **03 Do you try to differentiate your goods and increase your profit by importing self-planned and developed goods produced in overseas?**

Y Have you examined marketing and risk avoiding measures of overseas products?

N Do you study development import? If not, do you have another strategy?

#### **03 Manpower**

##### **01 Do you have capable persons for overseas business to promote export and import inside and outside of the enterprise?**

Y Is there a good balance of personnel between domestic and overseas operation?

N Let them examine outsourcing and recruitment/training of personnel, considering the importance of export and import business in the whole management.

##### **02 Have you already secured personnel who are responsible for export and import operation?**

Y Is the capability of the person appropriate to the responsibility and authority given to him?

N At first you should examine to bring up the personnel in your company, and later consider recruiting a person from outside.

##### **03 Do you have any advice from the consultant or the public institution to promote export and import business?**

Y Do you evaluate the cost of advice for export and import business and its result?

N Utilizing appropriate outsourcing is necessary especially for export and import.

**04 Have you already secured a reliable trading firm or personal network?**

Y Is the trading firm or network really useful for your business?

N Depending on your experience and the scale of export/import, it could be beneficial to use a trading firm and the like for rapid advance in export and import.

**03 Product Liability measure**

**01 Product Liability law**

**01 PL law**

**01 Do you understand that PL law is applied not only to the manufacturer, but to the processor and importer?**

Y Are the expressions on a product label and the like made properly from the view point of PL?

N Explain to them examples of application of PL to the processor or importer, and ask their understanding.

**02 PL measure**

**01 Is the importance of PL law informed and recognized thoroughly among the whole organization of the enterprise?**

Y What measure have you taken for information and recognition? Has it been penetrated to the working level?

N Importance of PL law shall be recognized by all staff of every department which concerns with product.

**02 When you are a distributor, don't you think PL law is not applied to you? Have you decided a method of inspection for your goods?**

Y What kind of a method have you decided? Is it executed in actual?

N You should understand even a seller cannot be an exception of PL law application and is also responsible to PL.

**03 Do you appoint a person in charge of PL and provide a window for consulting customers on PL?**

Y Have you prepared a system for getting advice from an expert on PL?

N An initial management for PL is so important that the person in charge should settle it under a direct order of the top management.

**04 Is your business insured against PL?**

Y Is the insurance comprehensive? Are other goods not included in the product, such as sales promotion materials and the like, also insured?

N To insure your whole business for the accident is desirable.

**04 Environment preservation in marketing**

**01 Prevention of pollution**

**01 Measures for goods**

**01 Do you watch and survey the conditions of your goods as far as to the final disposal including your package in order to prevent pollution?**

Y When your product consists a part of product of other company, is there any sign and the like for prevention of pollution?

N Not only goods themselves, but packaging, affix and the like should be target of prevention of pollution.

**02 When you dispose a defective product and the like, do you consider reusing it by recycling, reforming, and the like?**

Y Do the reused goods have as good value as merchandise in their quality, appearance and the like?

N Though there is a problem of cost, we should try to reuse them and preserve our resources.

**03 Are you interested in such goods that distributors of each step try to recycle them because of good value of the material?**

Y Do you consider future changes of value of the raw material?

N Development of goods which the value of the material and easiness of the recycling are considered, is needed.

**02 Measure for waste disposal**

**01 Do you cut and crack wastes made at distribution processing, and use them for filling in a box for transport?**

Y Have you devised a method both easy for handling at disposal and advantageous for cost saving?

N Device on use of processing waste and the like can be linked up not only to saving cost, but also to recycling.

**02 Do you prepare treatment of final waste for recycling through careful classification?**

Y You should consider design, display and the like for easy classification from the process of product, packaging and the like.

N We can say that recycling final waste as resources is a request by the society.

**03 Do you study a device on energy saving of equipment and a change from fossil fuel to clean energy?**

Y Do you collect data of measures for environment preservation by energy saving?

N You should consider energy saving as a long term policy of the enterprise.

**04 Do you try to collect vacant containers and the like of your handling goods, without considering own product or not?**

Y Do you clearly announce that collection of vacant containers and the like is based on your policy of environment preservation?

N Collection of container, package and the like may not last long, if it is made only by the efforts of limited staff. It shall be announced as a philosophy of the enterprise.

**02 Environment preservation**

**01 Natural environment**

**01 Do you try to preserve the nature by taking care of planting trees around the shop and factory, and purifying waste water?**

Y Do you manage it to have a good appearance?

N Consciousness of preservation of the nature shall be recognized all through the enterprise.

**02 Do you try to simplify package and preserve the nature indirectly?**

Y Do you appeal to the customers that the simplification of package is a way to preserve the nature?

N In simplification of package, the appearance of goods should be nice by device of material and design.

**03 Do you make a better image of the enterprise by appointment of a person in charge of environment preservation and by participation in movement for it in the community?**

- Y Does the person in charge show in and out of the enterprise that the person can act under direction of the top management?
- N This is the age that participation in environment preservation movement makes a better image for the enterprise.