

Market Entry Strategy



There are numerous market entry strategies that a business can adopt when selling its products and services overseas or setting up an establishment in a foreign country. Each has differing levels of risk, legal obligation, advantages and disadvantages.

Following is an overview of different ways of doing business in overseas territory.

Channel Partners and Strategic Alliances



If your company is interested in simply exporting or importing products and services, licensing, distributing etc. this is an easy way to explore the market with someone who is already in a similar business in the new market. While direct exporting or importing may be a profitable method of market entry for some businesses, licensing manufacturing rights to your product to a foreign company or setting up a manufacturing JV may be viable alternatives. International Advisory Council can supply a list of potential contacts or, through its own network, a short-list of potential partners for Indian and European exporters and importers at a reasonable cost.



Local Office

Under this structure, the company establishes a local presence through a subsidiary or branch office, rents or buys office space and hires staff (could be just one person).



Joint Venture (JV)

A market entry option where a foreign company and a domestic firm join together to incorporate a new company in the target country. Both parties provide equity and resources to the JV and share in the management, profits and losses. The JV may be limited to the life of a particular project. This option is popular in countries where there are restrictions on foreign ownership.



Merger and Acquisition

A merger occurs when a foreign company merges with a domestic company in the target market and creates a new entity. Under an acquisition, the foreign company takes over a domestic company in the target market. The domestic company may still trade under its own company name with ownership and direction controlled by the foreign entity. It could be a complete take over or a partial acquisition depending on the financial and management agreement between the two parties. We can provide a list of target merger and acquisition candidates and can also help in finding legal and accounting firms to provide due diligence and negotiation support.



Public Private Partnership And Greenfield Investments

This form of market entry is through establishing a new operation in the market. This is mostly done in cases when a large project is awarded to a company on multiple year concession or a public private partnership. We can provide interested companies information on regular basis through newsletters and e-alerts on these opportunities. We can also support companies in setting up a public private partnership or Greenfield project in India or UK .



Franchising

A franchise is an ongoing business relationship where one party ('the franchisor') grants to another ('the franchisee') the right to distribute goods or services using the franchisor's brand and system in exchange for a fee or commission. More sophisticated franchise arrangements specify a precise business format under which the franchisee is expected to carry on business and ensuring a common customer experience throughout the network. We help companies in finding the right franchising partner.



Outsourcing and Licensing

Firms may decide to enter a market by outsourcing some of its key activities to the supplier in the target market such as contract manufacturing of goods or outsourcing of IT and services in the target market, eg. clothing manufacturers. Products and services can be tailored to the conditions and specific requirements of the local market.

Market entry through licensing involves one company (the licensor) agreeing to permit another company (the licensee) to use the manufacturing, processing, trademark, know-how or some other skill provided by the licensor for a fee or revenue share.

We help companies find the right outsourcing or licensing partner in India and Europe. Companies can save significant costs and risks by taking this approach and can also take advantage of partners experience in the target market.

We help our clients with all these factors and different steps to enter a new market.