Sales and Export 1

The purpose of this individual assignment is to provide the student with an opportunity to demonstrate his/her mastery of one or more related topics discussed during this module and apply them in the context of the topic of this assignment. You have studied concepts, models and topics set out in the module guide. If you wish to improve your learning before embarking on this assignment, you may want to conduct a systematic search of relevant scholarly literature material. This is strongly advised. The student is required to select ONE question from the list below and submit a substantiated answer of between 1500 and 2500 words.

Table of Content a. Table of Figures (if applicable) b. Table of Tables (if applicable) 3. Detailed answer to the question. [A minimum of 3 citations of scholarly sources is recommended]. 4. Literature Review Students should list here the academic sources they have used in answering the questions. 5. Appendices (if applicable)

Pankaj Ghemawat developed a “Distance Framework” to help managers identify and assess the impact of “distance” on various industries and export markets. His CAGE model identifies 4 dimensions of distance. Research this model and use his framework to compare the attractiveness of two potential export markets of your choice for two products or services of your choice originating either in the Netherlands or in your own country. 2. Blackthorpe Ltd is a family owned cheese making company based in Yeovil, Somerset in the UK. It makes high quality cheeses and is specialized in Cheddar Cheese. The shelf-life of the products is generally 21 days. 60% of the company’s sales are in the UK. The other 40% are exported to EU countries and in particular to Germany, Belgium and the Netherlands. The sales margins on the export products are on average 7% higher than on sales to the UK. The company employs 68 FTEs. Sales have been hardly affected by the Covid-19 outbreak and in fact the company has seen an increase in sales of their more expensive cheeses particularly in their European markets. The UK will leave the EU on the 31st of December 2020 unless there is an extension of the “transition period” which is highly unlikely as the UK has categorically stated that it does not want an extension. Details of the future trading relationship between the UK and the UK are still being negotiated and there is a risk that the UK will leave without a trade deal. What extra problems, difficulties and risks will Blackthorpe face to its export sales as a result of the UK leaving the EU? 3. Altimo BV is a relatively successful Dutch company manufacturing concrete garden ornaments which it sells to Garden centers in the Netherlands and Northern Belgium. It employs 20 people and had a turnover last year of €8.750.000. It generates a gross sales margin of 24%. The owner of the company, Mrs. Wilma Janssen, was recently at a family re-union where she had a long discussion with her cousin, Peter, who lives in Cape Town, South Africa. He is the owner of a group of garden centers in South Africa. The following week Peter visited Altimo and praised the quality and design of the products and pointed out that there would be a market for them in South Africa. Wilma liked the idea of selling in South Africa and after doing some more research on the country and after looking at the capacity situation in her factory decided to enter this market. She was particularly attracted to the idea that when it was winter in the Netherlands, it was summer in South Africa. Garden ornaments are by definition seasonal products and this move could give her a better spread of the work in the factory and a more even cash flow throughout the year. After looking at possible entry modes she decided either to appoint an agent or a distributor but could not decide which. She has asked you to advise her. You should explain the difference between an agent and a distributor to her and the advantages and disadvantages of each. You should then advise her which to choose and motivate your reasons for your choice. 4. Beter-Sleep GMBH is a large manufacturer of beds and matrasses situated in Munich, Germany. It sells its products direct to retail outlets in Germany, Austria and Switzerland. Over the last 6 years sales and revenues have been good but stable so in 2018 the owners of the company decided to appoint a new CEO. Kurt Schmidt, the new CEO is a very flamboyant, extravert person often acting on impulse. One of his first moves was to appoint a new advertising agency. They came up with a strategy to change from transactional advertising to transformational advertising and despite the risqué character of some of the adverts on television, on social media and in magazines, sales and market share both increased significantly. Kurt Schmidt then decided that Beter-Sleep should become an international company. In his normal impulsive manner he attracted significant funding from a venture capital company and without doing any real research he opened sales offices and warehouses in Osaka (Japan), Chicago (USA) and Dubai (United Arab Emirates). The results from these overseas operations were disastrous and the mounting losses threatened the very existence of Beter-Sleep. Consultants were appointed. They explained that changes would need to be made to both the products themselves as to the advertising strategy. Explain what changes would have to be implemented for each country and why. 5. Apeldoorn Manufacturing BV is a successful manufacturer of office furniture in the Netherlands. It was set up 10 years ago by Jan Peters and now employs 60 people. In the initial phase the company only sold its products in the Apeldoorn area but to-day it is a thriving business making healthy profits with customers throughout the Netherlands. Jan Peters thinks that opportunities for further growth in the Dutch market are limited and has decided to set up an export department and start selling in Germany, Austria and Switzerland. What are the potential difficulties to trade that he will face in these markets which he does not encounter in his domestic market? Which are the most important and which are less important? Explain your answer.

Criteria for Assessment 1. Ability to present an in-depth knowledge and understanding of key concepts and theories 2. Ability to apply critical analysis and synthesis of relevant information and theory 3. Ability to demonstrate innovative and creative thinking through the analysis and evaluation of material 4. Ability to develop a concise, well thought, arguments that are supported by citations of peer-reviewed articles, books and up-to-date research 5. Ability to effectively communicate - both verbally and written – using professional business and academic terminology. 6. Ability to meet the deadline 7. Ability to include the required number of qualified references in the report. Content development • The individual assessment report should be written in academic English. • In preparation for this assessment you must research the literature and cite - for each sub- question the required number of academic references. The term Academic References consists of four specific types of sources: (i) peer-reviewed articles, (ii) books, (DO NOT cite the class text book), (iii) government and NGO reports and, (iv) Doctoral dissertation or theses. • When citing from websites, news paper articles, blogs, and/or company’s marketing promotional material as references you must ensure that they are valid and/or reliable. • All articles must be published within the past five years (between 2014 – 2019). • All citation must be in Harvard referencing style and format. Use this link for the online guidance on the application of Harvard formatting and citation style