



Market and Business Development in Asia

Expansion Strategy for Asia

1. Analysis

1. Current business in Asia
 - Financial key figures and key performance indicators
 - Markets, distribution, logistics, price structure
 - Management and organisation structure
 - Strengths, weaknesses, opportunities, threats

2. Market assessment
 - Long-term implications, risk evaluation, ecosystem factors (market growth and size, entry/regulatory barriers, intellectual property protection, industry trends, demographics, purchasing behaviour, political climate, corruption, legal and tax environment)
 - Market size, addressable segments, “perceived” demand (as opposed to overestimating capability to drive or create demand)
 - Competitive environment (prices, distribution, margins, protectionism)

Expansion Strategy for Asia

2. Path to Growth – Market Entry Concept

1. Strategy

- Definition of core competencies and value proposition, i. e. “unique and sustainable advantage”, clear definition of tangible results that customers receive (price, quality, availability, product selection, service, brand, product leadership, operational excellence, luxury and aspiration, cost effectiveness, technology, disruptive business model)
- Clear trade-offs (what NOT to do)
- Goals and objectives (financial, strategic presence, risk distribution, market diversification, economies of scale, access to materials/resources/know-how, investment opportunities)
- Financial implications (cash flow, revenues, profitability, investments)
- Impact on organisation (human resources, management capabilities, production capacities, work processes, IT)

Expansion Strategy for Asia

2. Path to Growth – Market Entry Concept

2. Products/services and markets
 - Definition of targets and needs (geographical markets, customer segments)
 - Clarity about market/product segments, assessment of cognizance and perceived importance, ability to meet target customers' needs
 - Adaption and localisation of products/services, marketing and corporate communication strategy
 - Distribution channels and price structure (threats of grey market imports/exports, distributors'/resellers' margins), transfer pricing in accordance with regulatory requirements
- Supply chain (warehousing, time-to-market, local and/or global logistics approach vs. regional feeder concept, impact on inventory, minimum production volumes, packaging [climate, regulatory requirements, languages])

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2. Path to Growth – Market Entry Concept

3. Operating Structure in Asia

- Own office/company, joint venture, strategic alliance, acquisition, green field development, collaboration with local/regional partner or distributor, contracting and licensing)
- Choice of physical location (close-to-market vs. regional headquarter)
- Availability, skill set and cost structure of local work force vs. deployment of expatriates, compensation plans, immigration, tax compliance, cultural compatibility, language barriers)

4. Detailed action plan (“product, price, place, promotion, people, processes”)



Expansion Strategy for Asia

3. Value Creation and Implementation

1. Execution is key – engage workforce, align goals and objectives of all stake holders, communicate strategy roadmap, define responsibilities and accountabilities, anticipate and eliminate internal stumbling blocks and external obstacles, manage corporate culture change
2. Assist in setting up local/regional presence or search for suitable acquisition targets, initiate search process for key personnel
3. Define sequence of entry into relevant markets, identify distribution partners and channels, verify previous market assessment, establish pricing structure according to value proposition



Expansion Strategy for Asia

3. Value Creation and Implementation

4. Establish local/regional supply chain and align with headquarters and production facilities, evaluate third-party logistics providers, establish cost structure and work processes
5. Formulate communication and marketing concept
6. Ensure strategic continuity and communicate with headquarters, establish management reporting system (performance measurement, balanced scorecard, cost management)



Countries

Geographic coverage

The regional HQ of R&P is located in Singapore.

This location offers a number of advantages: ideal geographic position, extremely well developed transport infrastructure, stability, highly educated and experienced work force etc.

The countries which we cover out of Singapore and where we can rely on an excellent network, best contacts and which are well known to us, are

in South East Asia: Malaysia, Vietnam, Thailand, Indonesia, Philippines

in East Asia: South Korea, Japan, China
India



Value Added

Investment

It is a very modular and flexible service concept for opening new markets for products and services in Asia with the aim of offering our clients an optimum benefit and a real value added

This means prices are in function of our flexible solutions and approaches. Indicatively the following prices are applied (depending on resources needed and excluding expenses etc):

1. Analysis: € 12k
2. Strategy development: € 12k
3. Implementation: € 15k / month plus success fee



Competence



Daniel S. Binder

(local presence in Singapore for 20 years)

Sales: Complete overhaul of Asia Pacific sales network; elimination of entire distribution levels; reduction in number of distributors; penetration of previously untapped market segments (increased sales from EUR 58 to 190 mil)

Profitability: Optimisation of selling prices and margins, price increases, abolition of quantity-based discounts, year-end sales bonus scheme, payment terms reduction (boosted gross margin from 13% to 23%, EBIT from EUR -3.2 mil to +3.7 mil, cash flow from EUR -0.77 mil to +0.12 mil)

Products: Expansion of product range, foray into car accessories, adaption of high-tech products to Asian markets, analysis and exploitation of all existing market segments, creation of “Blue Ocean” markets (increased number of available products from 250 to 4,800)

Marketing: Formulation of long-term, conclusive marketing strategies, based on clear understanding of customers’ needs, preferences, interests and decision-making criteria (differentiation, “marketing of solutions, not products”). Customer surveys showed satisfaction index of more than 87%; brand awareness and recognition increased from less than 45% to 77% within two years

Contact

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