



INNOVATIVE INTEGRATED TRAINING IN HEALING PLANTS BUSINESS

IO3 - The Total Business Plants Training Material

Module No. 4

“Business start-up in the sector of medicinal plants”

FyG Consultores



Unit 6: Business Start-Up Internationalization and innovation

- **Summary**

Unit 6 “Business Start-Up Internationalization and Innovation” is the part that needs to be included in each business projects. Explication related to internationalization and innovation refers to the present and future trends that need to be followed by many new businesses. Unit helps to understand how to make the first steps and how to follow the idea and expectations.

- **Learning outcomes**

- ✓ **Knowledge, understanding and professional skills:**

1. Define the following terms: Innovation and Internationalization in the specific market
2. Extensive knowledge and possibility to discuss about: Start Up, market analysis, innovation.
3. Connect all information and data from business sector with medicinal plants industry.

- ✓ **General and transferable skills:**

1. Show knowledge related to business vocabulary.
2. Show excellent written and oral communication skills.
3. Work alone or with team and set up activities that lead to the main goal.
4. Know how to use technology and take advantage of the offer that makes the job easier.

Innovation and Internationalization

- Is Internationalization and innovation important? Yes it's very important if you want to make your business well known and growing.

Internationalization - the process through which a firm expands its business outside the national (domestic) market – is pursued because of several reasons

Successful internationalization calls for a careful entry strategy and capacity to cope with various issues Internationalization of firms may be supported by various public and private organizations – including Chambers of Commerce Abroad.

Easy example: *Bob Marley internationalized reggae, making it known throughout the world.*

Why should we go international?

- to enter new output markets
- to reduce costs and enhance competitiveness
- to exploit their own core competences in new markets
- to share risks over a larger market
- to take advantage of lower labour cost, lower taxation, cheaper natural resources
- sometimes, because the domestic market is just too small for company growth

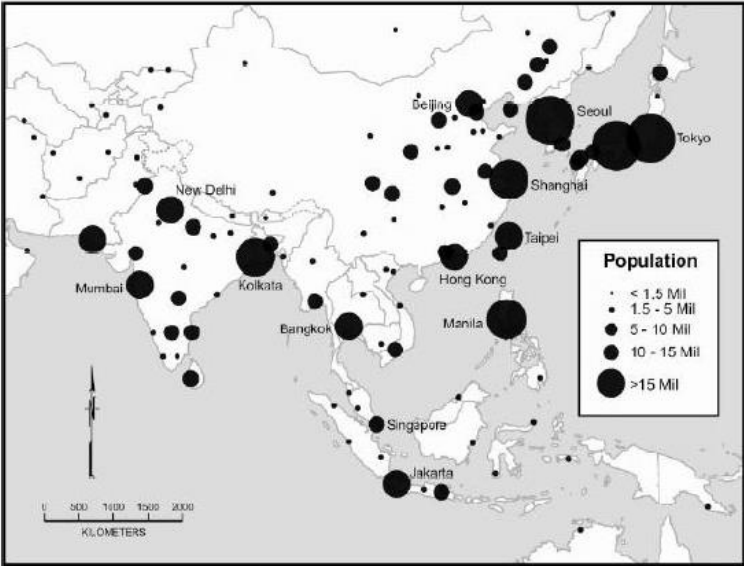
Companies in general go international by exporting their product/service first, then by establishing and hiring a sale representatives in the foreign countries, and another step refers to setting up production facilities.

Eventually, international businesses may develop into:

Multinational corporations (MNC): company that carries out its production chain in more than one country. The headquarter office is usually in a place where the company was created (home country) and at the same time in a place that is easy to reach. It is also possible that operations are held in more than one country.

Trans-national corporations (TNC): a MNC that does not identify itself with any specific nation – open for the world, but acquires truly international (i.e., not country-dependent) features and high local responsiveness.

2. Where do companies go international?



(Source: ESRI, 1998 and World Gazetteer 2005)



How to go international?

Main strategies that allow you to enter into foreign markets include:

- ✓ Only exporting a company's products into a foreign market, is possibly with the support of trade brokers



- ✓ Licensing a company's production and marketing process, or asking for royalties to be paid for the use of owned assets and resources



- ✓ Franchising a business



- ✓ Directly undertaking production and selling in a foreign country
 - a) Through a 'multinational approach' by adapting to local markets



- b) Through a 'global approach' by mass-marketing the same product



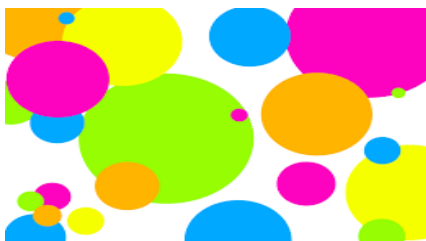
- What is Innovation? Is it needed? Do I need it? Yes, and Yes!

“Listen” to the words of Steve Jobs and you’ll discover what separates true innovators from everyone else.

It all comes down to dots.

Steve Jobs was an American entrepreneur, businessman, inventor, and industrial designer. Jobs was the chairman, and the chief executive officer (CEO), and a co-founder of Apple Inc. said:

“You can’t connect the dots looking forward; you can only connect them looking backwards. So, you have to trust that the dots will somehow connect in your future. You have to trust in something—your gut, destiny, life, karma, whatever. This approach has never let me down, and it has made all the difference in my life.” Steve Jobs



So, what is innovation?

Those other dots, the ones that are missing. The dots people see are not the ones we want you to

innovate, the dots that make the world to move forward are the ones which we can call “innovation”. Moving forward is connected with changes and specially with innovative changes.

You have to be innovative and go global. Globally, there are over 100 million new companies (big and small), which are launched every year. Considering the statistics, it translates into roughly 11,000 start-Ups launched every hour, so if one day is only 24 hours can you imagine how many ideas are appearing every day?! In this fast-paced environment, it is essential for start-Ups to keep innovating and be different – original, if they want to survive and keep alive at the market.

With thousands of new companies being launched every day, start-Ups can't afford to rest on their laurels and take the chance to not experiment or innovate. They need to keep their eyes and ears firmly on what is happening around them in the market and keep a check on what their competitors or new players are doing. Considering the pace at which technology gets obsolete today, one new or disruptive technology is all it could take to wipe out a complete business overnight, thus leading to a complete waste of all the resources, time and effort invested in building the business. So, there's little chance you can count on 'so-called' innovative product to keep your start-Up going, if you don't continue to make innovation your priority on a day-to-day basis.

Innovation can bring many advantages to your business and big companies which were at the beginning consider as Start-Ups knew about it.

Innovation:

- Gives you a competitive and special peak

Innovating something that does not exist gives start-Ups an edge over their competition and helps them become and remain a market leader.

- Think for a moment about the case of Apple Inc., which has remained the industry leader since its launch nine years back. Apple is constantly innovation something new which is different than other smartphones companies. Innovation is a clue in the sector of communication and not only there.



- Another great example is Uber (ordering a car with driver via application where the ride is paid via credit card), which completely disrupted the cab sharing industry, has managed to last a market leader as it is constantly innovating and creating new options for the customer. Right from ride sharing to premium cars, the company has grabbed a foothold in every market it operates in. Now Uber is also creating plane sharing service – is it not a great example of innovation? Many people instead of ordering a taxi they order Uber via application and do not worry about payments via cash as everything is done by credit card.



- Makes Start-Ups more powerful

If innovation is the main aspect of your business, it makes it easier to solve problems as well as reach to the big challenges.

Did you know that Google company assigns a special hour or day in each department for everyone for innovation – during this time people experiment and create new possibilities/ideas. It doesn't require from a company any extra cost but due to that it gives a chance to make something new and original.

Many of its innovative products like Hangout, Maps, etc. have all been a part of its in-house born ideas time.



- Creates entry barriers for competitors

Being an innovator or a troublemaker is the best way to stay at the top and become an industry leader. However, one good idea can lead to a thousand followers so think and start your business today. Innovation is the future.

- Competes with larger well-established companies

Big companies can out-innovate Start-Ups by adopting a systematic approach to innovation and learning. In order to compete with them, Start-Ups need to be a step or more ahead and adopt a culture of innovation.

- REMEMBER –

Research shows that 95% of Start-Ups fail within their first year due to lack of any new ideas – due to lack of innovation. Customers ask for new application, new updates and new topics so as a person who cares about their needs you have to follow the market and give what they ask for.

It's very obvious that every Start-Up needs to make steps associated with innovation as a part of its DNA, if the goal is to get ahead of competitors and retain that position.

Imagine that you have a team of 6 people and if every single person on your team is focused on innovation, there is no way anyone can stop you from reaching the top and keep there as long as possible.

NEW TECHNOLOGY - NEW MARKET – NEW CUSTOMERS – NEW COMPETITORS

Do I have a problem or it's my new challenge? Am I able to make it?

Definitely you have to think that you have new challenges and you will reach your goals.

TECHNOLOGY?

Nowadays almost everything is connected to technology and even if you do not realize you use it every single minute (Computer, Watches, Cars, Phones, TV, Internet, School, Communication, Cooking etc.).

Now you want to start something new and great, your own Start-Up.
Be aware that without Technology it is simply impossible. Asking why?

- ✓ Because you have to act fast! – Emails go faster than letters.
- ✓ Because you might have meetings with people from all over the world – Video conferences are cheaper than flights and you can join the meeting even during the night or early morning.
- ✓ Because you have to keep track on all your money income and outcome. The easiest way to do it is not anymore calculator and peace of paper – now we use Excel.
- ✓ Because you can catch with your co-workers from other city, country or even continent via Skype or Hangouts which is totally free!
- ✓ Because now we all use Apps and people need it as it makes their life easier and can get your product everywhere they are.
 - The total number of mobile app downloads in 2017 – **197 billion** (a forecast) ([Statista](#))
 - The total number of iOS app downloads in 2016 – **25+ billion** (Source: [App Annie](#))

What's important to know:

- **Don't start with technology, start with people!**

If your workers understand the big picture for the business and its vision for the future, they can more easily comprehend and support the need to adopt new technologies. First of all, explain to you team what's the new technology and why is it important, after that start implementing the technology.

- **Understand the technology.**

Give yourself and your employee's time to learn new software, application or way of doing tasks. It can take time and be at the beginning boring or frustrating but you will get there and will be proud of yourself that you made it. Technology is here to help us not to make our life more difficult.

GLOBALIZATION – where to go and how to get there? Use Technology and be noticed out of your comfort zone!



- Find your customer (maybe your customer is in Germany or Italy?)
- Find the niches (Maybe something is still missing in Spain or Hungary?)
- Check all economic advantages and disadvantages in other place as it might be much cheaper there (city, country, and continent)

Globality's mission includes making international commerce more accessible, although the company is too young for its impact to be assessed. From the business perspective, one effect of globalization is

that of expanded markets. This means that a business that had previously only sold its goods domestically can start selling products to other countries.

One example of expanded markets includes the auto industry. Mercedes, Volkswagen, Ford is knowing everywhere all around the world due to the globalization.

Don't be afraid of failure this is the way to succeed! Don't be afraid and go Global!

The impact of technology on globalization has been extensively reviewed and will continue to be so for the simple reason that technology is developing faster than globalization. I have chosen two slightly different interpretations of globalization:

Globalization refers to processes that increase world-wide exchanges of national and cultural resources. Advances in transportation and telecommunications infrastructure, including the rise of the Internet, are major factors in globalization, generating further interdependence of economic and cultural activities.

There is a snowball effect when expanding your company internationally - **the more countries your company is in, the more potential customers you have. By growing your infrastructure, your company follows.**

The act of globalization is an extremely competitive strategy as well. If you are somewhere your competitors aren't, that is a major business advantage. Simply put, if you want your company to grow, you need to **consider globalization as a realistic opportunity.**

Of course, you can find people who will say that Globalization is not a good step, but you are the one who make the choice.

For instance, some proponents say globalization creates new markets and wealth, and promotes greater cultural and social integration by eliminating barriers; on the other hand, some critics blame the elimination of barriers for undermining national policies and cultures and destabilizing advanced labour markets in favour of lower-cost wages elsewhere. Similarly, some proponents point to the rising economies of poor countries benefiting from companies there to minimize costs; some critics say such moves could lower living standards in developed countries by eliminating jobs.

VERY IMPORTANT!

Know your **CUSTOMER** – without them you will not succeed as they have to get your service or product!

Where are they from?

What they need?

How old are they?

How much money they can spend at the beginning?

Will they promote your product if they like it?

Will they use it daily, monthly or maybe once per year?

Are they students, workers, families, teenagers, seniors or maybe big companies?

If you don't know how to get more customers we will give you some ideas:

When it comes to your pitch, get out of your comfort zone

If you're having trouble expanding your customer base, you may be inadvertently narrowing your focus—and with that, missing the mark with potential new customers. If you're pitching your business

in the same way that you always have, it's no surprise that you're having trouble reaching new customers.

Build a "relationship map"

Build a "relationship map," which will match your strongest relationships with the areas where there is the greatest need for your product or service. This map will help point you in the direction of who you need to reach out to, in order to tap into potential customer bases.

Speak at an event or host an industry gathering

You have plenty of expertise in your field—why not get involved in the community? By sharing your experience and getting involved in your industry at a local level, you'll have the opportunity to grow your connections, as well as your reputation as a thought leader in your industry.

Try offering free trials, product, service to new customers

Another practical tactic to acquiring new customers? Offer them a free trial of your product. *"Free trials are a great way to market, since they attract new customers and garner good reviews and testimonials," says Souny West of CHiC Capital.*

Can COMPETITORS help you? Yes, they can! So, don't be afraid of them but be strong enough to bit them!

Use your competitors to know more about the market, customer, offers and changes in your sector.

Looking at who is talking about your competitors can give you incredible insight into what types of customers use similar products to yours. If your product adds more value there's no reason you can't reach out personally to these people & offer a free trial to switch. [Facebook](#) allows you to pay \$1 to send a message to a non-friend, you can send a tweet to someone, contact them via their blog or if you can get a phone number give them a call.

Competition in a business context is either direct or indirect for any startup or established company. Even if you have a product or business service that is completely niche or unique, it is impossible not to face some competition.

Once a business has set up and is entering the market, the key to success will be competitive advantage. What makes their business better than other people's businesses and what is their USP? You must find a way to differentiate yourself. For example, a soda startup does not have to be daunted by companies such as Coca Cola if they have their own USP, a niche in the market that Coca Cola would not satiate. A small soda company that offers natural ingredients, and branding towards children specifically, will not face direct competition from a huge company because it has a USP. This is the key to entering a busy market – what do you have to offer that sets you apart from the rest?

Don't be afraid of other Start-ups! You ask why not, because:

- They are guessing, checking and learning just like you ... so be faster!
- A lot of them give up and die ... You will not!
- Some acquired and stop innovating ... You know that innovation is the key!
- Markets can support multiple players ... And you play as well so they will support you!
- They also have problems and issues ... but for you they are challenging and motivating!

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