

# Agile Internationalization

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# Agenda

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Where does Agile Internationalization come from?

2

The seven principles of Agile Internationalization

3

The process of Agile Internationalization

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Agile Internationalization models

5

Conclusion



# Where does Agile Internationalization come from?

- Agile development has its roots in software development sector
- Long planning phases and much documentation → no flexibility
- Neglection of external circumstances
- Foundation of „Agile Alliance“ → Principles are transferred to other areas





# The seven principles of Agile Internationalization

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1. High tolerance for change
2. Active and close customer involvement
3. Early and regular development of products and services
4. Regular exchange of views among the employees involved
5. Team of suitable employees
6. Autonomous and independent project teams
7. Incremental solutions with iterative loops



# 1. Principle

## High tolerance for change

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- Important on two dimensions:
  1. **Geographical dimension**
    - Activities in foreign regions might lead to confrontation:
    - Language, juridical conditions etc.
  2. **Temporal dimension**
    - Development of company affects overall structure
    - E.g. new foreign employees increase need for foreign language skills





## 2. & 3. Principle

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### Active and close customer involvement

- Understanding of local customer needs and market conditions
- Close and regular exchange with customers
  - Especially during exploration phase

### Early and regular development of products and services

- Adapt products to local circumstances
- Offer precise solutions instead of planned steps → increased confidence in the brand
- Ongoing improvement



## 4. & 5. Principle

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**Regular exchange of views among the employees involved**

- Close interaction between new location and headquarter
- Overstepping thresholds
  - Culture, language
- Frequent use of communication channels

**Teams of suitable employees**

- Necessary skills:
  - Flexibility
    - Work independently in an unstructured situation
  - Quick solution finding
  - Open mindedness
  - Customer orientation



# 6. & 7. Principle

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## Autonomous and independent project teams

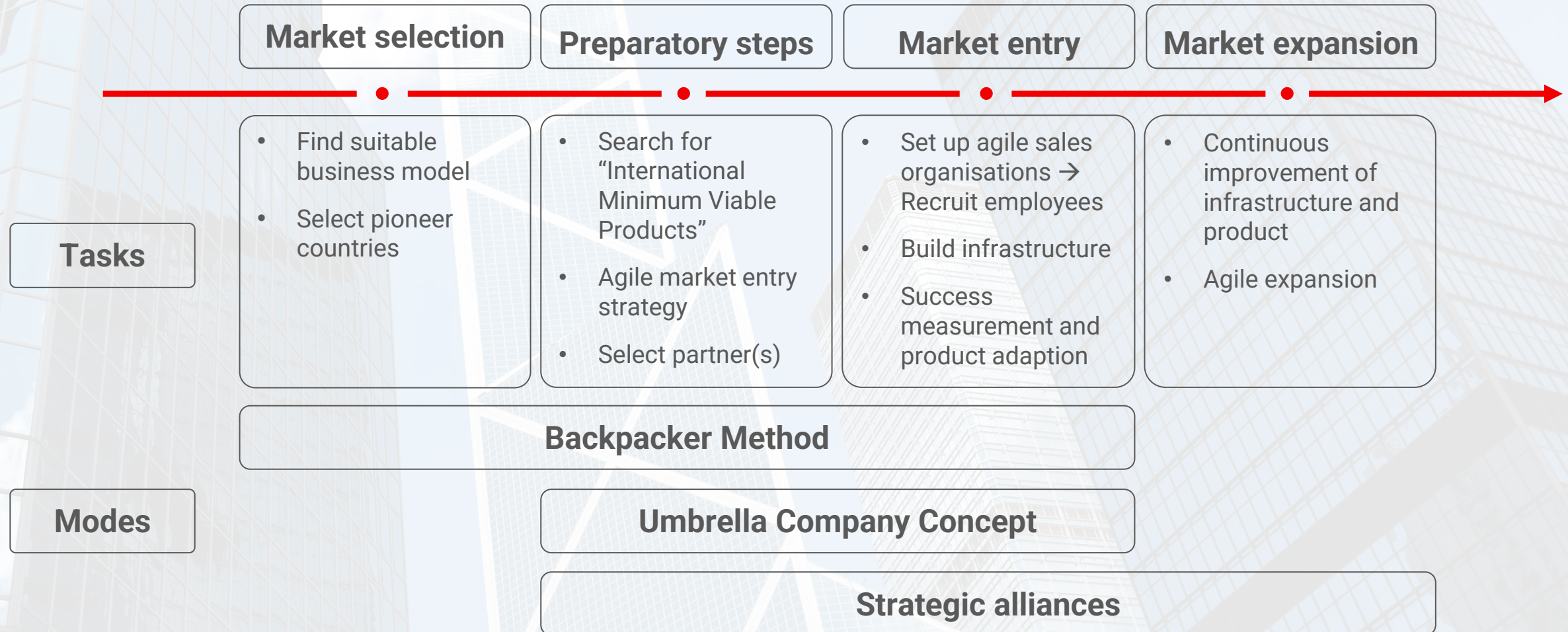
- Location in new market needs certain level of autonomy
  - Allows adaptation to local circumstances

## Incremental solutions with iterative loops

- Result-oriented approach
  - Check feasibility after short period of time – „Fail fast and change“
- Harvest learning possibilities and experience of internationalization
  - For new as well as for existing market



# Process of Agile Internationalization





# Agile Internationalization Models

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## Backpacker Method

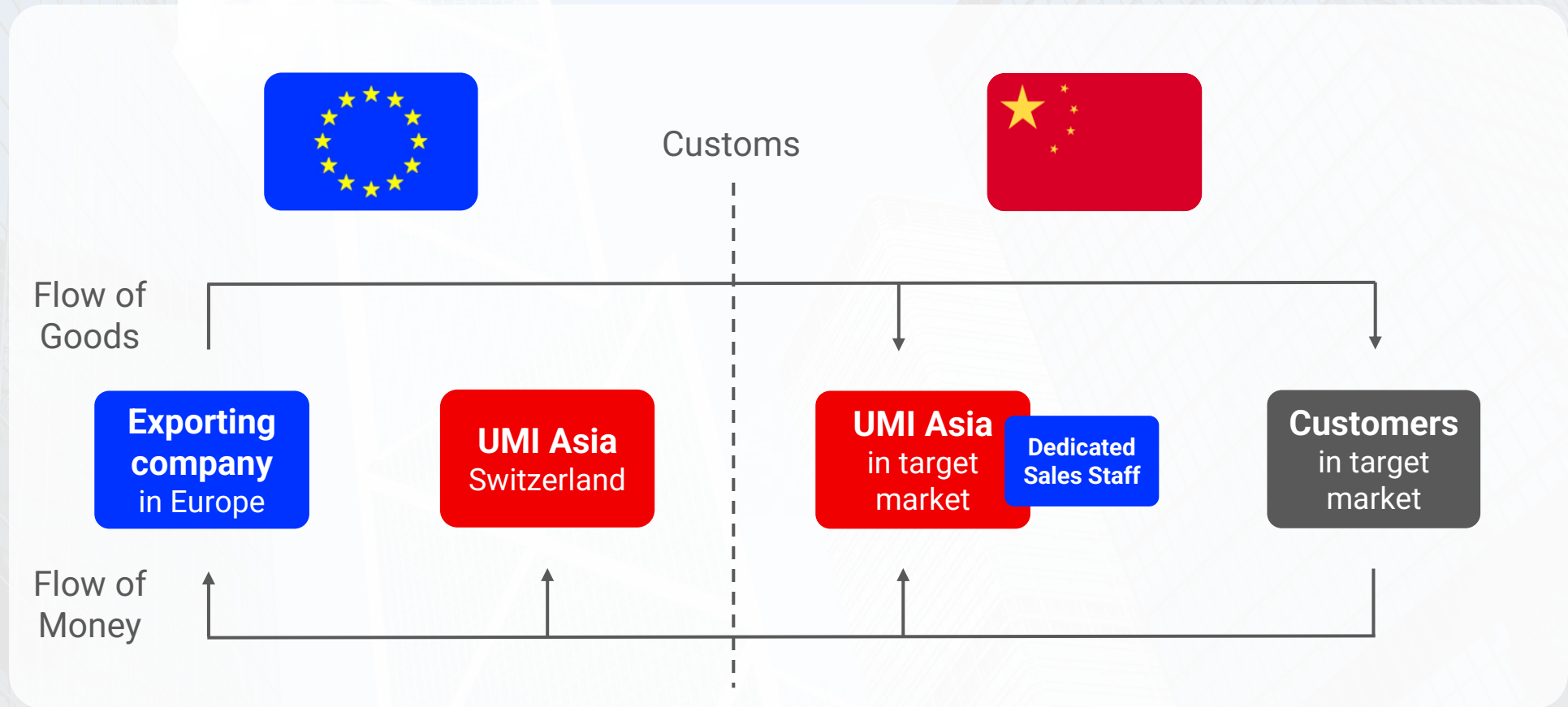
- Approach
  - SMEs act as suppliers following MNCs to target market
- Intention
  - Open up new markets with secured revenue stream from MNC
- Advantages
  - Use MNC as reference to gain new customers, use MNC's network

## Umbrella Company Concept

- Approach
  - SMEs establishes virtual subsidiary under the umbrella of a service provider (Umbrella Company)
- Intention
  - Fast and riskless market entry, synergy effects, cost savings
- Advantages
  - SMEs derive benefits from Umbrella Company's expertise, no own subcompany necessary



# Visual Illustration of the Umbrella Company Concept





# Agile Internationalization Models

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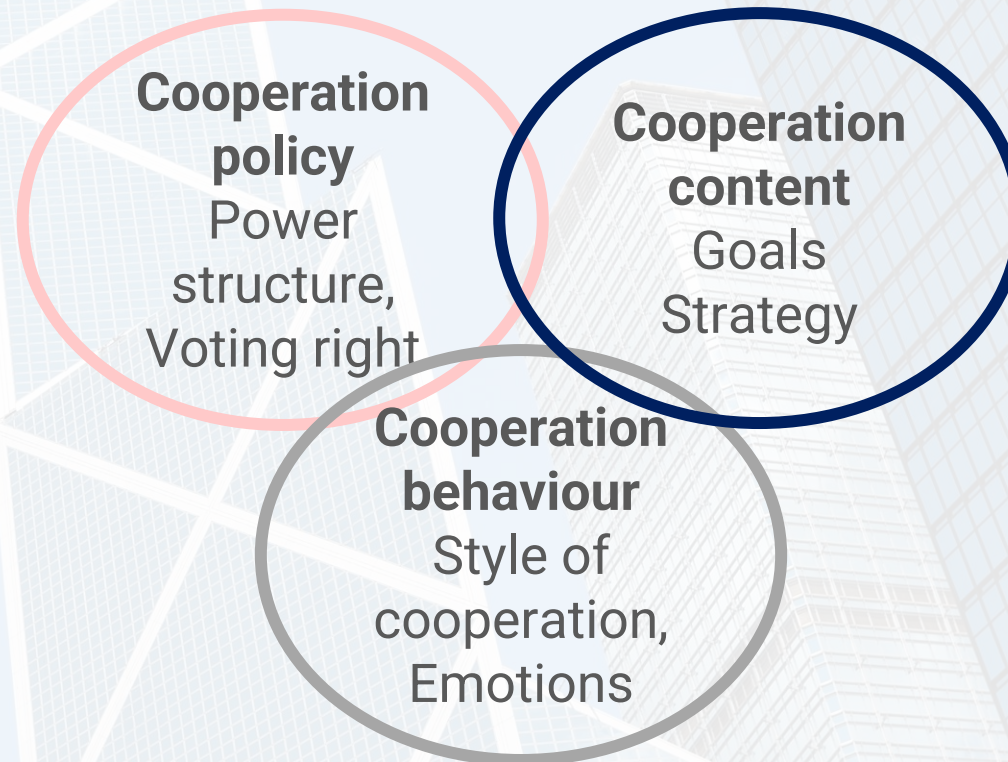
## Strategic Alliances

- Approach
  - Set up partnerships with other companies in the region
  - Involved companies retain their legal and economic independence
- Intention
  - Pooling knowledge and resources, synergy effects
- Advantages
  - lower costs, common strategy → shared risk



# Agile Internationalization Models

**Strategic Alliances – the three levels of the corporation process**





# Conclusion

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- Agile Internationalization leads to following benefits:
  - Fast and cost-effective
  - Reduced risk and complexity
  - Increased chance of success
- Consists of 4 steps
- Offers 3 market entry models
  - Backpacker Method, Umbrella Company Concept, Strategic Alliance





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