international trade and direct investments are related to the stages of the product's life cycle and that competition can force a company to invest abroad. This happens in three stages:

1. New Product Stage (Introduction). It's made in the home country and it's introduced abroad through exports.
2. Mature Stage of the Product (Maturity). The company is induced to produce abroad because it's loosing.
3. Product's Standardization Stage (Downhill). The company directs the production to places of low productive costs where the products are exported back to the home country.

The last theory it's the **geo-business model,** which explains the commercial actions of the companies that develop their geographic perspective from a global analysis. The model has three kinds of variables:

1. Condition Variables: Determine if there are or not possibilities for the international business, this includes characteristics of the product, of the home and room countries, and their relations.
2. Motivational Variables. This indicates if the company has or not something to gain offering the product on an international level and what motivation there is for it.
3. Control Variables. Indicates the restrictive or potential actions from the home and room countries.