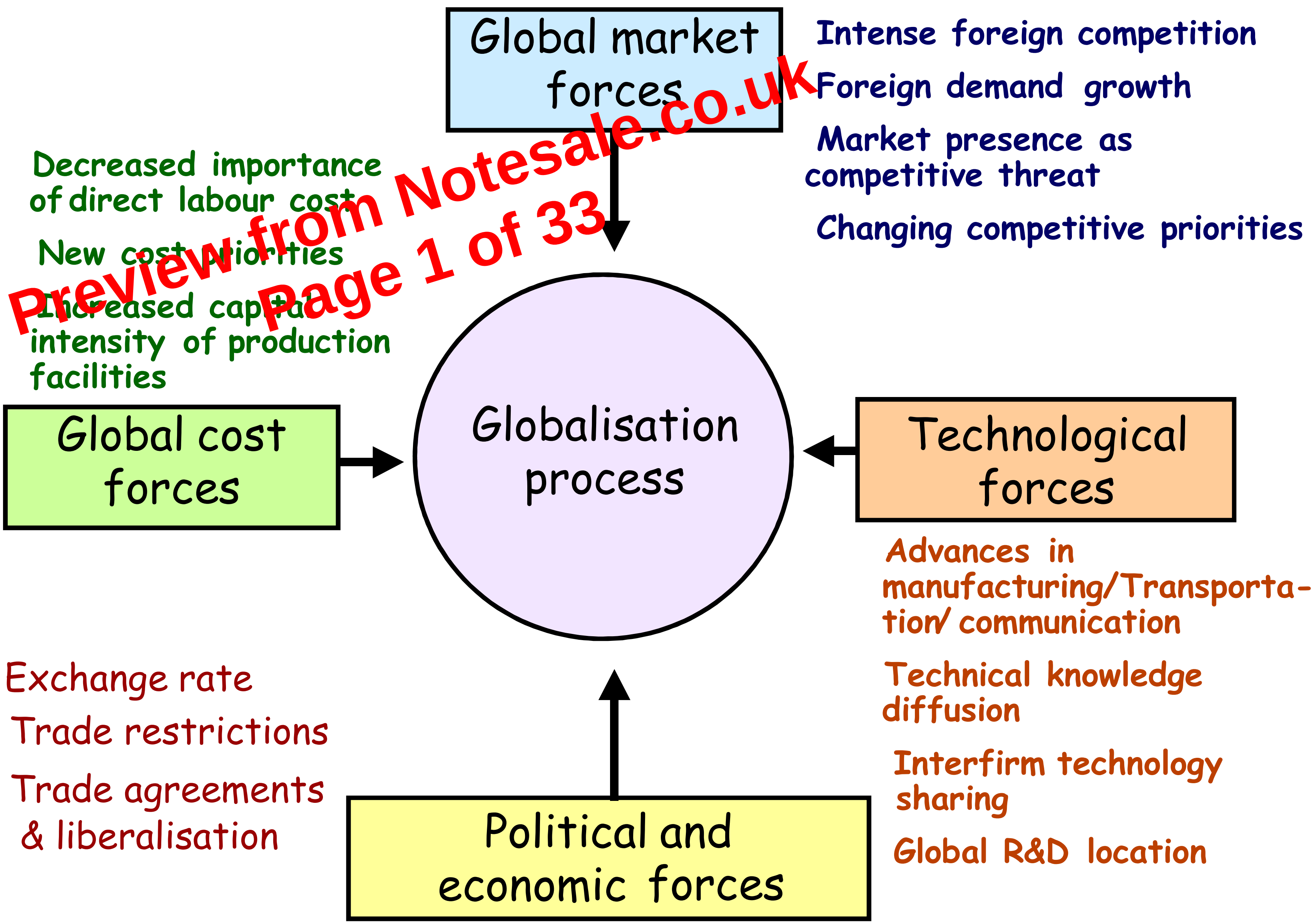
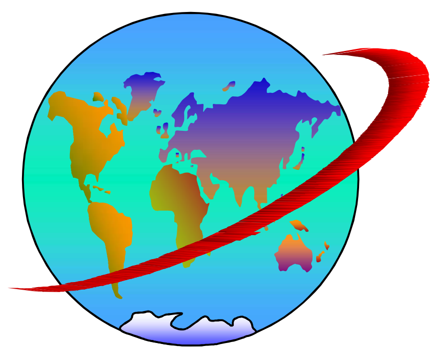
The Detailed Four Forces Framework (FFF)



Political and economic forces refer to exchange rates and import restrictions (tariffs, quotas, etc)

- Firms may benefit from locating facilities within a market instead of importaning into it, etc
- On the other hands growing trends towards trade liberalisation offers easier market access

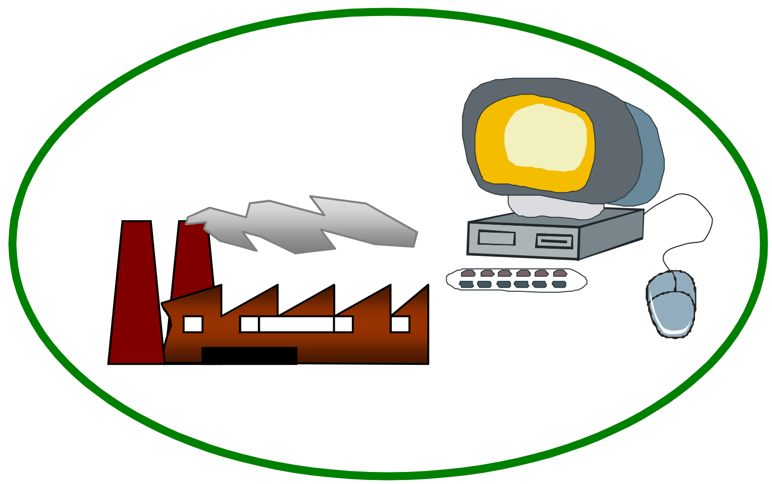


Focused Factories

Focused factories are structured around a product instead of a location

Production at a central facility cuts manufacturing costs but it also leads to:

- Rise in transportation costs
- Rise in local inventory costs
- Increase in lead time



Globalisation – Benefits and risks

Consider your company. Which would be the main benefits of operating globally?

Now think about risks. Which are the main risks of operating globally?

Documentation

Documentation is a vital part of the import & export process

Inaccuracy or incompleteness of documentation, or late delivery, can lead to delays in clearance and payment, losses, legal actions and fines

Every document should be scrutinised for:

- ✓ Authenticity
- ✓ Deadlines for presentation & expiry
- ✓ Conformity with contract & credit requirements
- ✓ Accuracy & completeness