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Research on Cross-International Business Operation and Management Strategies of Enterprises

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Abstract

As globalization accelerates, the corporate realm finds itself amidst an unprecedented international business landscape. Conventional marketing paradigms and management strategies falter in such rapidly shifting environments, presenting both challenges and opportunities for multinational operations. This discourse delves into the myriad challenges facing multinational corporations, such as policy risks, legal framework disparities, cultural differentials, economic and monetary policy uncertainties, and disparate rates of technological advancement. Moreover, the article conducts a profound analysis of theories pertaining to international business and multinational management, cultural variance theories, as well as strategic management theories, with the aim of furnishing a robust theoretical foundation for multinational operations and management. Beyond mere theoretical exploration, this article also endeavors to elucidate various successful strategies in multinational operations and management, encompassing market entry strategies, marketing strategies, human resources management strategies, and financial and risk management strategies, in order to furnish enterprises engaging in international markets with reliable guidance and successful paradigms, thus encouraging the realization of both social value and commercial interests in tandem.

Keywords

enterprise cross-border operations, business environment, management strategies

1. Introduction

Globalization has not only accelerated the process of global economic integration but has also ushered in a new paradigm of competition and cooperation. The internationalization of business operations has become pivotal in gaining a competitive edge. However, this trajectory is fraught with challenges,

spanning from cultural disparities to fluctuations in economic policies, from legal frameworks to uncertainties in technological advancements. Enterprises must devise meticulous strategies to thrive on the international stage. This discourse delves deep into analyzing these challenges, offering a series of solutions and management strategies to aid enterprises in effectively addressing them. By synthesizing relevant literature and theoretical frameworks, the article not only revisits classic theories of international operations but also explores the impact and application of cultural differences and strategic management theories on multinational operations. The ultimate aim of this research is to provide a roadmap and strategic recommendations for addressing specific challenges encountered by enterprises in international operations, thereby fostering sustainable development and success in the global market.

2. Theoretical Foundations of Enterprise Cross-Border Operations

In the vast realm of exploring the international business operations and management strategies of enterprises, a profound understanding of the theories of international business, cross-cultural management, and strategic management has become the indispensable triad for constructing successful multinational corporations. These theories arm enterprises with competitive weapons in the complex and ever-changing international markets, aiding them in effectively addressing the challenges of cross-cultural management and devising flexible and efficient strategies.

The theories of international business and cross-cultural management paint a macroscopic blueprint of global business operations for enterprises. Emphasizing the need for a deep understanding of the international market, including various factors such as political, economic, and legal considerations, these theories highlight the necessity for enterprises to learn how to allocate resources globally, choose optimal market entry strategies, and coordinate operations across different countries to maximize benefits. At the core of this theory lies the flexibility in utilizing global resources on the international stage to achieve global expansion. On the other hand, the theory of cultural differences approaches the issue from a different perspective, asserting that the diversity and differences in culture are crucial issues that enterprises must highly value in the process of multinational operations. Cultural differences not only manifest in language disparities but also deeply affect business practices, management styles, decision-making processes, and communication methods. Cultural sensitivity and cross-cultural communication skills are indispensable for entrepreneurs and managers. Recognizing and respecting the cultural characteristics of target markets helps enterprises communicate more effectively with local consumers, avoid cultural conflicts, and enhance their market acceptance and brand image. Finally, the strategic management theory acts as a pair of strategic glasses for enterprises, enabling them to maintain direction and focus in the complex and ever-changing global market. This theory emphasizes the importance of long-term planning and flexible adjustments, encouraging enterprises to build competitive advantages through the optimization of internal resources and meticulous analysis of the external environment. In the context of multinational operations, strategic management is not only

about expanding globally but more importantly, about effectively addressing the uncertainties and risks in the international market and maintaining sustainable development in global competition. These three theories collectively form the theoretical foundation of enterprise multinational operations, providing them with a comprehensive set of tools and frameworks to succeed in the international market (Wang, MA, Xuan et al., 2020).

3. Analysis of the Environment in which Enterprises Operate Cross-Border

3.1 Political and Legal Environment

The political and legal environment refers to the risk and opportunity that a country's political and legal systems may pose to business operations. The stability of a nation's politics directly impacts the predictability of its commercial landscape. For instance, political turmoil or policy shifts could significantly alter foreign investment regulations, thereby affecting a company's operational strategies and even its ability to sustain operations within that country. Consequently, a company's sensitivity to policy risks and accurate assessment of political stability when entering new markets determine its ability to smoothly navigate unexpected political upheavals and maintain operational continuity and stability. Legal frameworks and international regulations provide the rulebook for multinational business operations. Different countries have unique legal systems with their own provisions for aspects such as intellectual property protection, contract enforcement, and labor laws. These differences often present significant challenges for companies engaged in multinational operations. International regulations, such as WTO agreements and transnational trade pacts, also influence companies' global expansion strategies to some extent. For businesses, a thorough understanding and appropriate application of these legal provisions and international regulations are crucial for successfully overcoming legal obstacles and effectively mitigating legal risks. Thus, it can be stated that the political and legal environment poses both challenges and opportunities for enterprises engaged in cross-border commerce. Companies must thoroughly assess policy risks and stability, while gaining a profound understanding of the legal framework in their target countries and its alignment with international regulations. This enables the formulation of flexible and efficient management strategies, ensuring robust progression amidst the ever-changing landscape of international business.

3.2 Economic Environment

In terms of economic development, a nation's economic maturity and market scale provide the fertile ground for enterprise operations. The affluent purchasing power and stable economic growth rates of developed countries offer multinational corporations abundant market opportunities, while the rapid growth in developing nations implies future market potential and the selection of cost-effective production bases. However, when operating in these diverse economic environments, enterprises must also confront the challenges brought about by varying levels of economic development, such as inadequate infrastructure in developing countries and the risks associated with immature markets. Monetary policy and exchange rate fluctuations constitute another crucial economic environmental

factor that multinational enterprises must closely monitor. A nation's monetary policy, including interest rate adjustments and control over currency supply, directly impacts the strength and stability of its currency, thereby influencing the funding costs and international balance of payments of multinational enterprises. Exchange rate fluctuations are one of the most challenging factors in multinational operations, as they not only affect the costs of imports and exports for businesses but also influence capital flows and enterprise value. Multinational corporations must adeptly employ financial instruments and strategic arrangements to address exchange rate risks, thereby safeguarding their interests and enhancing competitiveness. In the final analysis, the complexity and changeability of the economic environment, this environment requires multinational enterprises in the global context must have a keen market insight ability and flexible strategy layout, so as to grasp opportunities and avoid risks. The essence behind this is the manifestation of a deep understanding of and a high degree of adaptation to the economic environment, which is the key for multinational enterprises to stand firm in global competition (Xu, 2018).

3.3 Cultural Environment

In the realm of multinational operations, the cultural milieu unfolds as a vibrant tapestry, fraught with challenges and ripe with opportunities. It encompasses the diverse cultural disparities encountered by enterprises across various nations and regions, spanning languages, religions, values, and customs, exerting profound implications on operational dynamics and strategic decision-making. Among the most palpable are the barriers of language and disparities in communication styles, impacting not only interactions with clientele but also necessitating strategic adjustments in branding, advertising, and promotional endeavors. A simple illustration lies in the translation of brand slogans: disregarding the nuances of language and culture, even globally renowned enterprises may stumble upon awkward cultural clashes, resulting in tarnished brand images. Deeper still, cultural disparities shape internal organizational management, team collaboration methodologies, and decision-making processes. Direct correlations exist between societal values and consumer behaviors. Different cultures harbor distinct perspectives on luxury, frugality, and sustainability, which directly manifest in consumer purchasing behaviors. The success of an enterprise's cross-border operations depends to a large extent on an in-depth understanding of the cultural environment of the countries involved. For example, when the American fast food giant KFC entered the Chinese market, it did not just copy its successful model in other countries, but studied the Chinese food culture in depth. After learning that Chinese consumers favor local specialties and family dining habits, KFC adjusted its menu to include products that suit Chinese tastes, such as Peking Duck Rolls and Five Spice Chicken Wings, and introduced Family Buckets to cater to the consumption habits of family gatherings. This keen insight into the cultural environment and the ability to adapt quickly made KFC's development in China far exceed expectations and become an example of multinational operation. This case clearly demonstrates that only when a company can accurately grasp and respect the cultural characteristics of the target country can it succeed in cross-border operations. This process highlights the recognition and respect of cultural

differences, and skillfully integrates the company's own brand characteristics, realizing effective communication and deep integration in cross-cultural markets.

3.4 Technological Environment

The technological environment typically refers to the amalgamation of factors such as the level of technological advancement, the frequency of scientific activities, and the prevailing tech policies within which a business operates. These elements act like a pair of spectacles through which companies scrutinize the market and foresee the future. Technological trends consistently represent a silent revolution, incessantly subverting traditional business models. Taking the rapid popularization of internet technology as an example, it compels businesses to reconstruct their sales channels and extend their reach to e-commerce platforms, aiming to capture those ever-vigilant consumers. Today, cutting-edge technologies like artificial intelligence, big data, and cloud computing have become the essential languages for enterprises venturing into international markets. By harnessing advanced technological means, companies can optimize their production processes, reduce operational costs, and meet the demands of target markets with greater precision. The gleam of technology's sword illuminates the path forward, but also casts shadows of risk. The rapid evolution of technology can lead to a swift depreciation of invested technological equipment, potentially rendering them uncompetitive in the market. Therefore, in transnational operations, it is crucial for businesses not only to stay abreast of technological trends but also to cultivate a continuous stream of innovative capabilities, maintaining the freshness and uniqueness of their technology to secure a place in the global marketplace (Ting & Tianjian, 2022).

4. Enterprise Cross-border Operation and Management Strategies

4.1 Market Entry Strategy

The market entry strategy constitutes the methods and approaches that enterprises undertake when exploring and expanding into new markets. Its core objective lies in identifying the most effective means to engage, enter, and ultimately stabilize growth within the target market. Direct and indirect exports represent the most straightforward choices in the international market entry strategy. Direct export entails the direct sale of products or services to the target country, often demanding robust market penetration capabilities and profound understanding of the target market. In contrast, indirect export involves utilizing third parties such as agents, distributors, or trading companies to vend products, thereby mitigating the risks and costs associated with direct market exposure, particularly suitable for enterprises venturing into international markets for the first time. Franchising, on the other hand, offers a relatively low-risk pathway to internationalization. By authorizing businesses within the target country to operate using their own brand, technology, and business models, the original enterprise can rapidly expand into international markets without significant direct investment, fostering rapid brand and market expansion while effectively catering to local market demands. Joint ventures, establishing new enterprises in collaboration with local businesses in the target country, represent a

strategy of shared resources and risks. This approach aids in integrating into the local market, leveraging the market experience and resource advantages of local enterprises to overcome entry barriers, while also better addressing local legal, regulatory, and cultural challenges. Finally, establishing subsidiaries as a wholly-owned market entry approach, while bearing higher risks, ensures strong control capabilities, safeguarding the consistency of enterprise strategies and the integrity of brand value. It is suitable for enterprises committed to long-term commitments in the target market and aspiring to fully control local operations. When selecting an appropriate market entry strategy, each enterprise needs to consider its own resource capabilities, market objectives, and risk tolerance, comprehensively evaluating the impact of various factors. Regardless of the chosen approach, maintaining a constant vigil on market dynamics and flexibly adjusting strategies is key to ensuring the success of international operations (Yu, 2019).

4.2 Marketing Strategy

Marketing strategies delineate how enterprises effectively communicate and deliver their value propositions and products to target markets, serving as the nexus between enterprises and customers. Concerning product strategy, paramount importance lies in the adaptability of the product itself. The diversified international market necessitates products not only to meet basic needs but also to consider differences in regional cultures, consumer habits, and legal regulations. Therefore, enterprises need to adjust products according to different markets, achieving product localization or regional specificity to better meet the expectations of target customers. Regarding pricing strategy, precise positioning of product price ranges is imperative for enterprises entering new markets. This process entails careful consideration of factors such as local purchasing power, currency exchange rates, and pricing strategies of local competitors. Reasonable price positioning not only ensures enterprise profits but also ensures the acceptability of prices to local consumers, with balance being crucial in this process. Skillful application of promotional strategies can effectively enhance brand awareness and product sales volume. From traditional advertising to social media marketing, and then to specific promotional activities in local markets, multi-channel and diversified promotional methods can help enterprises better communicate with target customers, establishing an emotional connection between the brand and consumers. As for distribution strategy, selecting appropriate channels to smoothly deliver products to consumers is another key to ensuring marketing success. Whether through direct sales, agents, online sales, or cooperation with local retailers, finding the most effective distribution channels aids in increasing market penetration and customer satisfaction. For example, the marketing strategy of Alibaba Group has become a classic case. Alibaba not only relies on technological innovation, but also shows great creativity in its cross-border e-commerce marketing strategy. Especially on how to use localization strategy to promote the expansion of international markets, Alibaba designs marketing programs that meet the characteristics of the local market by thoroughly studying the culture and consumption habits of the target countries. For example, when entering the Southeast Asian market, Alibaba's e-commerce platform, Lazada, launched the "Double 11" shopping festival, a highly

successful marketing campaign in China that was effectively localized to incorporate the characteristics of the Southeast Asian market and consumer shopping preferences, and achieved great success. This strategy highlights Alibaba's strong emphasis on market segmentation and localized marketing in its multinational operations, which not only enhances the user experience, but also greatly increases brand influence and market share. Through such a strategy, Alibaba demonstrates how multinational companies can achieve sustained business success on a global scale through delicate market touch and flexible strategic adjustments.

4.3 Human Resource Management Strategy

In comparison with traditional management approaches, human resource management faces a plethora of challenges and opportunities in a multinational context, particularly concerning localization versus global consistency and team management versus cultural integration. The equilibrium between localization and global consistency stands as a paramount concern within the human resource management strategies of multinational operations. To attain this equilibrium, enterprises necessitate respecting and meeting the cultural and legal requirements of each nation while simultaneously ensuring the global consistency of corporate culture. This entails embodying both global unified standards and considering local characteristics and demands during employee recruitment, training, and assessment. For instance, in devising employee training programs, incorporating local work habits and cultural disparities alongside introducing the core values and operational standards of the enterprise is imperative to nurture professionals who possess both global competitiveness and the adaptability to cater to local markets. Team management and cultural integration also constitute pivotal human resource strategies in corporate internationalization endeavors. Work teams in multinational enterprises often comprise employees from diverse national and cultural backgrounds, posing a significant challenge in effectively managing such teams to maximize their productivity. Enterprises need to foster an inclusive work environment that encourages mutual respect and learning among employees to facilitate the fusion and exchange of diverse cultures. For instance, organizing cross-cultural training workshops enables employees to comprehend and respect each other's cultural differences while seeking common ground in their work, thereby fostering teamwork and innovation. When implementing these strategies, enterprises must also consider numerous practical issues, such as balancing efficiency with fairness and addressing legal and regulatory disparities among different countries. Successful human resource management transcends merely establishing a set of rules or processes; it embodies a dynamic process capable of adapting to the ever-changing international market environment to achieve corporate strategic objectives. Through meticulous strategy adjustments and implementations, enterprises can better harness the potential of human resources within the backdrop of globalization, thereby promoting sustained development and enhancing competitiveness (Li, 2021).

4.4 Financial and Risk Management Strategy

In the vast stage of multinational business operations, financial and risk management strategies stand as formidable and indispensable weapons. They not only ensure the efficient utilization of funds but also

safeguard the steady progress of enterprises amidst the unpredictable international markets. At the granular level, capital allocation and risk assessment and control emerge as the most crucial components within financial and risk management. The essence of capital allocation strategy lies in "strategic distribution and efficient utilization." Multinational corporations are accustomed to seeking the optimal destinations for investments worldwide. When considering capital allocation, managers need to comprehensively assess diverse factors such as tax environments, market potentials, policy directions, and exchange rate fluctuations, striving for investment optimization. Indeed, such optimization demands both insight and decisive judgment. For instance, judiciously selecting strategic geographical locations for investment deployment constitutes one aspect, providing a station for commercial interests amidst geopolitical and economic entanglements. Risk assessment and control form the protective web of an enterprise. In the unknown and frequently changing international markets, risks abound, yet they are not without trace. Through scientific analysis models and practical market research, enterprises can identify potential risks and formulate control measures based on them. For instance, the global expansion case study of Starbucks stands out prominently. Starbucks, originating from the United States as a coffee chain brand, has achieved significant success in the global market through the adoption of localized strategies and a meticulously designed risk management framework. For example, upon entering the Chinese market, Starbucks not only offered specialty beverages tailored to Chinese consumer tastes, rather than simply promoting American coffee culture, but also flexibly adjusted product pricing to align with local consumption levels. In terms of risk management, Starbucks effectively mitigated risks associated with currency fluctuations and local policy changes through diversifying investments and utilizing insurance measures. For instance, establishing procurement centers in different countries not only allowed cost advantages but also reduced risks stemming from fluctuations in a single market through a diversified supply chain. Additionally, Starbucks globally implements a flexible operational model, such as a blend of franchising and self-operated stores, which not only reduces direct investment risks but also facilitates swift adjustments in management strategies to adapt to varying market environments. Through such a comprehensive series of strategic adjustments, Starbucks not only proactively addresses uncertainties in international operations but also demonstrates the flexible, adaptive operational wisdom crucial in global markets.

4.5 Innovation and Sustainability Strategy

Innovation refers to the novel endeavors and enhancements in products, services, or operational frameworks, aimed at carving out new avenues for growth and market advantage for companies; whereas sustainable development entails a company's pursuit of long-term economic gains while also considering social responsibility and environmental preservation, ensuring the prosperity of future generations is not compromised while the company thrives. Against the backdrop of multinational business operations and management, for companies to sustain growth and carve out a place in fierce international competition, they must integrate innovation and sustainable development strategies. One

of the primary measures is technological innovation, which encompasses the adoption of cutting-edge information and manufacturing technologies to enhance product quality, reduce production costs, and optimize customer experience. For instance, through artificial intelligence and big data analysis, companies can more accurately forecast market trends and consumer preferences, achieving more precise market positioning and product development. Green environmental protection and social responsibility are also indispensable components of innovation and sustainable development strategies. In the process of globalized operations, companies should not only pursue economic benefits but also prioritize environmental protection, reducing negative environmental impacts through green production and circular economy practices. Simultaneously, fulfilling social responsibilities, such as raising environmental requirements for suppliers and subcontractors, as well as considering the well-being of local communities when investing overseas, not only helps to build a positive corporate image but also promotes local economic and social development to some extent. By continually enhancing competitiveness and market responsiveness through technological innovation and combining strategies of green environmental protection and active fulfillment of social responsibility, multinational corporations can steadily grow in global markets and achieve long-term sustainable development.

5. Conclusion

From theoretical foundations to practical strategies, this paper delves deeply, aiming to foster enterprises' adaptation and growth in the process of globalization. By scrutinizing enterprises' performances in political-legal, economic, cultural, and technological environments, this paper elucidates how enterprises should formulate market entry strategies, marketing strategies, human resource management strategies, and financial and risk management strategies to cope with the ever-changing international environment. Enterprises should not only pursue short-term benefits but also focus on long-term sustainable development during their multinational operations, including practices in technological innovation, environmental protection, and social responsibility. This not only enhances the international image of enterprises but also promotes their long-term stable development. As for future research directions, enterprises and scholars should further explore new models and strategies of multinational operation and management to adapt to the trend of deepening global economic integration.

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