

## **THE NATURE OF INTERNATIONAL ENTREPRENEURSHIP:**

As more countries become market oriented and developed, the distinction between foreign and domestic markets is becoming less pronounced. International entrepreneurship is the process of an entrepreneur conducting business activities across national boundaries. It is exporting, licensing, or opening a sales office in another country. When an entrepreneur executes his or her business in more than one country, international entrepreneurship occurs.

## **THE IMPORTANCE OF INTERNATIONAL BUSINESS TO THE FIRM:**

International business has become increasingly important to firms of all sizes. The successful entrepreneur will be someone who understands how international business differs from domestic business and is able to act accordingly.

## **INTERNATIONAL VERSUS DOMESTIC ENTREPRENEURSHIP:**

Whether international or domestic, an entrepreneur is concerned about the same basic issues-sales, costs, and profits. What varies is the relative importance of the factors being considered. International entrepreneurial decisions are more complex due to uncontrollable factors such as the following

### **Economics:**

A domestic business strategy is designed under a single economic system. Creating a business strategy for multiple countries means dealing with different levels of economic development and different distribution systems.

### **Balance of Payments:**

A country's balance of payments affects the valuation of its currency. This economic variable will affect how companies do business in other countries.

### **Type of System:**

Types of System Barter or third-party arrangements have been used to increase business activity with the Commonwealth of Independent States, the former U.S.S.R. There are still many difficulties in doing business in developing and transition economies due to:

- a. Gaps in the knowledge of the Western system regarding business plans, marketing, and profits
- b. Widely variable rates of return.
- c. non-convertibility of the ruble.
- d. Differences in the accounting system.
- e. Nightmarish communications

**Political-Legal Environment:**

Multiple political and legal environments create different business problems. Each element of the international business strategy can potentially be affected by multiple legal environments. Laws governing business arrangements also vary greatly in the 150 different legal systems and sets of national laws.

**Cultural Environment:**

The impact of culture on entrepreneurs and strategies is significant. Understanding the local culture is necessary when developing worldwide plans.

**Technological Environment:**

Technology varies significantly across countries. New products in a country are created based on the conditions and infrastructure of that country.