

## Client Case Insight: Market international market penetration in the International DTV Market

### CORPORATE STRATEGY DEVELOPMENT FOR A PORTFOLIO OF DIVERSIFIED SUBSIDIARIES

A leading South African electronic manufacturer has developed state-of-the-art telecommunications and multimedia technologies and more specifically the Set Top Box (STB) decoder to manufacture and distribute to the fast-growing global digital STB market. Having considered their holding company's corporate business strategy of leveraged growth into international markets, the subsidiary wanted to build on its success in selected international markets. The company was intent on reviewing the future of their business in the context of current local and international market conditions, needed to make some strategic decisions in terms of the focus of the company in 1999 and beyond. Growth was deemed to be derived from acquisitions and penetrating new export markets.

The manufacturer consider that their leading-edge technologies were the a driving force behind their telecommunications and multimedia products. The client envisaged a vast array of opportunities for a range of products in international markets. The company however faced the problem of having to identify which markets to address and prioritise their entry into a number of international markets. Furthermore, the company required a structure to enable globalisation and manage the risk of growing too fast.

Using our market opportunity assessment methodology, StratNovation assisted the client organisation to understand which markets to penetrate that would allow provide the opportunity for the organisation to globalise as effectively as possible.

The results of the engagement were that the manufacturer targeted global markets through acquisitions and organic growth. By implementing their market penetration strategy developed and facilitated by StratNovation, the company grew from a R40 million loss to a R600 million profit in just four years. After this time, it was reported that the company realised a 173% increase in exports, with more than 50% of its turnover reflected in global exports. The company entered into a partnership with leading international companies to realise their opportunities in the selected markets.

According to reports by the holding company, in the the manufacturer again delivered a superb performance and remained a major contributor to the group's success.

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