

**MICRO LEVEL ASPECTS OF STRATEGIES OF ENTERPRISES
IN ENTERING INTERNATIONAL MARKET IN PERIOD OF CRISIS**

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All things in our world are connected. Nobody doubt about it. So are economies of different countries. It means that all rises and downfalls in one country's economy somehow influence economies of other countries either directly or indirectly. The bigger economy is, the stronger effect counties involved in global economy are facing. Leave alone global crisis that causes big damage for all economies that are involved in global production.

Not so long time ago we could see and actually feel the proof of this law. Mortgages crisis in the USA appeared to be the base for the Global Financial Crisis. During that time all stock exchanges faced significant fall of indexes and activity of traders. All people involved in business world were not sure what would be the next day. All this plus president election in the USA created the atmosphere of uncertainty in the global economic environment.

And in this article I would like to investigate the influence of crisis on the strategy of going on international market of enterprises from small economies. Let's take as an example enterprise from Finland.

As it was mentioned nobody will doubt that all economies in the world are connected and downfall in one economy causes decrease in others. After the Financial crisis many economies were devastated and as far as I am concerned Finnish economy did not suffer that much. So, I think, that Finnish enterprises can use it as competitive advantage.

After the Crisis exchange rate of euro towards USD decreased significantly, so it means that for the same amount of Euros you can by less amount of USD and vise-verse: for the same amount of USD you can by more Euros. From the basics of Macroeconomics I understood that low exchange rate situation is suitable for exports because it is cheaper to produce goods in country with low exchange rate and then sell it to country with high exchange rate.

How company can use it? Very simple: company just needs to make business, for example with the United States of America using USD currency then just exchange money in Euros in Finland after USD transactions. In this way company can benefit from currency rate downfall and gain additional money because of difference in currency rates.

Another possibility could be just entering foreign markets, especially markets that suffered from the Global Financial Crisis. I think that it could be a good idea because those markets have lower competition than they used to have because some enterprises just vanished from the market place and those left are completely devastated. In this situation Finnish enterprises have advantage comparing with competitors because Finnish economy did not suffer that much from the Crisis.

One more thing Finnish enterprises can do is using one of those entry strategies for entering foreign markets.

First strategy as I have already said is simple export to another country. This strategy involves lower amount of risk comparing with another possibilities that I am going to explain below. And enterprise can benefit on difference in exchange rates of Euro and currency of partner country.

Second one could be buying a production license from a company that cannot continue doing it because of the Financial Crisis and as a result because of a lack of resources. This strategy involves the least amount of risk for the company when entering a new market. It involves fewer amounts of company resources as well. Furthermore, the product is already known on the market, so there is no need to advertise it and company can use more resources for expanding a market.

Another one possibility is cross border acquisition. I think that it can be a right choice because when entering a market that suffered from the Crisis company should take a chance immediately but not to wait until competitors will recover. Everything should be done immediately. Another thing that makes this idea suitable is the fact that companies became cheaper in that market. In this case company will acquire not only the developed product and license for its production but also all the facilities and network of company. It is very good investment into company's business from the entrepreneur's point of view because sometimes it takes ages to develop those things and in this situation company will get immediately.

The most expensive and the most risky solution is a chain of wholly owned subsidiaries. This provides company with full access to market and its customers. It also provides full control over operations and can be a mean of buffering competitors from the resources. But it is very demanding strategy in terms of resources and only very big companies can afford to have a strategy like this and even not all of them.

But there are several pluses of the last strategy: there is huge supply of cheaper labor after the Global Financial Crisis, weak competition because companies are exhausted after the crisis that maybe will influence company's decision in choosing this strategy.

To sum it up I would like to say that on the one hand the Global Financial Crisis was a devastating world economy downfall and it will take some time to overcome the consequences of it and it will take maybe more time to understand and investigate the reasons of it and to work out strategies to prevent happening of crisis like this.

Another thing that has happened after this crisis was re-arranging of the structure of world and regional markets. Markets which were divided into fixed parts and seemed to be stable will change their structures: either new players will appear or old ones will gain more control. It makes me thinking that on the other hand it is both a signal that global economic system has major weaknesses and a possibility to start everything over again taking into consideration previously made mistakes. Maybe this crisis was just a step towards establishing of a new order in the world economy.

There is a general opinion about crises in general: economic downfall is a crisis only in short-term view but in long-term perspective it is only cycles of economy.