

# MANAGERIAL STRATEGIES FOR RISK PREVENTION ON ENTERING THE INTERNATIONAL MARKET OF INDUSTRIAL PRODUCTS

**BUDACIA Elisabeta Andreea, BUDACIA Lucian Constantin Gabriel**  
Romanian – American University

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**Abstract:** A company that wishes to extend its activity on an international level should take into account the fact that competitiveness elements differ from those on the national market and, as a result, the market strategies should be different in order to prevent unwanted risks. It is essential that export markets are carefully examined before a decision is made regarding the entrance on one of them. In order to be efficient in the strategy of foreign trade, market research should involve both existent products in fabrication and new products, demanded on these markets.

The identification of risks related to products in manufacturing, ranges from rudimentary methods to complicated procedures, which are time and money consuming. It is advisable to decide upon a program that allows the collection of information at different levels of network distribution (import, wholesaler, retailer) and must include a statement to customers divided by the attempt to take into account the extent of risks, which, on foreign markets, are sometimes generated by foreign exchange restrictions, customs duties and quotas, and, as well, by political factors.

New products include both those resulting from new discoveries and technical processes "invented" by the company, but also substantially modified products, new varieties, copies of products already marketed by other companies, which will be introduced in markets where they are not known.

Launching and development of new products require an efficient organization, effective management and increased mobility.

To control the costs of developing new products and to prevent risks of this stage, the four basic rules must be complied with: to establish a budget for product development; to decide the goals for product development; to use project management techniques; to calculate and measure those risks that arise during testing and marketing a new product;

Developing new products or modify existing products requires coordination of several departments of the company, particularly those responsible for finance, the technical part and protection and marketing.

For the new product to be known worldwide there must be taken into account the basic elements which enter into its composition, and the promotion related elements, such as pricing, packaging, promotion, advertising, design, quality characteristics and performance.

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