



INSTITUTO
UNIVERSITÁRIO
DE LISBOA

AN INTERNATIONAL EXPANSION PLAN OF A VENEZUELAN
COMPANY DEDICATED TO THE PRODUCTION OF FERTILIZERS
CATHEQUIM, C.A.

José Roberto Muzziotti Goncalves

Master of Science in Business Administration

Supervisor:

Prof. Luis Martins, Invited Professor ISCTE Business School,
Marketing, Operations and General Management Department

March, 2022



BUSINESS
SCHOOL

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GLOSSARY

ALADI - International and regional scope organization created on 12 August 1980 by the 1980 Montevideo Treaty, replacing the Latin American Free Trade Association.

Anarchy - State of disorder due to absence or non-recognition of authority or other controlling systems.

BRICS - Acronym coined for an association of five major emerging national economies: Brazil, Russia, India, China and South Africa.

Bureaucracy - System of government in which most of the important decisions are taken by state officials rather than by elected representatives.

Chloride Potassium - Metal halide salt composed of potassium and chlorine. It is odorless and has a white or colorless vitreous crystal appearance. The solid dissolves readily in water, and its solutions have a salt-like taste.

Corruption - Dishonest or fraudulent conduct by those in power, typically involving bribery.

Crops - Plant or plant product that can be grown and harvested for profit or subsistence.

Diversification - The process of a business enlarging or varying its range of products or field of operation.

Entrepreneurship - The process of designing, launching and running a new business, which is often initially a small business.

Ethanol - Chemical compound, a simple alcohol with the chemical formula C_2H_6O and is often abbreviated as EtOH. Ethanol is a volatile, flammable, colourless liquid with a slight characteristic odor.

Exporting - Function of international trade whereby goods produced in one country are shipped to another country for future sale or trade.

Fertigation - The process of injecting fertilizers, used for soil amendments, water amendments and other water-soluble products into an irrigation system.

Fertilizer - Chemical or natural substance added to soil or land to increase its fertility.

Franchising - A continuing relationship in which a franchisor provides a market privilege to the franchisee to do business and offers assistance in organizing, training, merchandising, marketing and managing in return for a monetary consideration. Franchising is a form of business by which the owner (franchisor) of a product, service or method obtains distribution through affiliated dealers (franchisees).

GDP per capita - measure of a country's economic output that accounts for its population. It divides the country's gross domestic product by its total population. That makes it a good measurement of a country's standard of living.

GINI Index - A measure of the distribution of income across income percentiles in a population. A higher GINI index indicates greater inequality.

Globalization - The process by which businesses or other organizations develop international influence or start operating on an international scale.

Gross Domestic Product (GDP) - The monetary value of all finished goods and services made within a country during a specific period. GDP provides an economic snapshot of a country, used to estimate the size of an economy and growth rate.

Hectares - Unit of area in the metric system equal to 100 ares, or 10,000 square metres, and the equivalent of 2.471 acres in the British Imperial System and the United States Customary measure.

Human Development index - Statistic composite index of life expectancy, education, and per capita income indicators, which are used to rank countries into four tiers of human development.

Inflation - Quantitative measure of the rate at which the average price level of a basket of selected goods and services in an economy increases over a period of time. It is the constant rise in the general level of prices where a unit of currency buys less than it did in prior periods.

Joint-Venture - A business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity.

Licensing - A business arrangement in which one company gives another company permission to manufacture its product for a specified payment.

Mercosur - Is a South American trade bloc established by the Treaty of Asunción in 1991.

SWOT analysis - Framework used to evaluate a company's competitive position and to develop strategic planning. SWOT analysis assesses internal and external factors, as well as current and future potential.

Tax burden - Measure that includes direct taxes, in terms of the top marginal tax rates on individual and corporate incomes, and overall taxes, including all forms of direct and indirect taxation at all levels of government, as a percentage of GDP.

Turnkey projects - A business arrangement designed in such a way it can be sold to any buyer as a completed product.

Urea - A waste product of many living organisms, and is the major organic component of human urine.

Vinasse - Byproduct of the sugar or ethanol industry.

Wholly owned subsidiary - is a company that is completely owned by another company. The company that owns the subsidiary is called the parent company or holding company. The parent company will hold all of the subsidiary's common stock.

SUMMARY

This master's project has the objective to analyze the feasibility for a Venezuelan company dedicated to the fertilizers production (Cathequim C.A.) to expand its presence internationally by starting operations in neighboring markets, leveraging its value proposition on certain cost-related benefits offered by Venezuela

For this project it has been identified the potential markets and verified the value of the product's portfolio offered by Cathequim C.A. To achieve this, it has been performed several analyses in which there have been included information relative to, on the one hand, the financial and operational performance of company itself, and on the other hand, the overall performance of Venezuela and another 4 interesting Latin-American markets. This will allow the assessment of the potential held by each market, so the company could ensure the selection that could benefit it the most.

Within the project, it was defined a SWOT analysis which served as the foundation to define the positioning and generate multiple operational strategies to be use by the company in order to take full advantage of the opportunities available for the company abroad.

Finally, it was provided a route map based on the information gathered and the results obtained from the multiple analyses performed, in which it was specified the most convenient market and the most favorable entry mode to adopt, given the company's strengths and weaknesses.

Keywords:

- Cathequim C.A.
- Fertilizers
- Internationalization
- Neighboring markets

JEL Codes: Business Administration M1, Agriculture Q1, Environmental Economics Q5

SUMÁRIO

Este projeto tem como objetivo realizar uma análise sobre a viabilidade de uma empresa venezuelana dedicada à produção de fertilizantes (Cathequim C.A.) para expandir sua presença internacionalmente, iniciando operações em mercados vizinhos, alavancando sua proposta de valor sobre certos benefícios relacionados a custos oferecidos pela Venezuela.

Para este projeto foram identificados os mercados potenciais e verificado o valor da carteira de produtos oferecidos pela Cathequim C.A. Para isso, foram realizadas várias análises nas quais foram incluídas informações relativas, por um lado, ao desempenho financeiro e operacional da própria empresa e, por outro, ao desempenho global da Venezuela e de outros 4 mercados latinoamericanos interessantes. Isso permitirá avaliar o potencial de cada mercado, para que a empresa possa garantir a seleção que mais lhe beneficie.

Foi realizada uma análise SWOT que serviu de base para definir o posicionamento e a política de marketing operacional a ser utilizada pela empresa a fim de aproveitar ao máximo as oportunidades disponíveis para a empresa no exterior.

Finalmente, foi fornecido um mapa de rotas baseado nas informações coletadas e no resultado obtido a partir das múltiplas análises realizadas, no qual foi especificado o mercado mais conveniente e o modo de entrada mais favorável a ser adotado, dados os pontos fortes e fracos da empresa.

Palavras-chave:

- Cathequim C.A.
- Fertilizantes
- Internacionalização
- Mercados vizinhos .

Codificação JEL: Business Administration M1, Agriculture Q1, Environmental Economics Q5

EXECUTIVE SUMMARY

A feasibility study is proposed for the international expansion of the Venezuelan company Cathequim C.A. in the fertilizer field, towards a favorable destination market. To achieve this, an initial diagnosis was carried out, based on the current situation of the Company and its potential, afterwards, it was assessed and identified the target market with the best possible benefits, in addition to the most appropriate entry mode.

Bastida J. (2014) *Origins and Projections* says, "Cathequim C.A. is a business organization with resources and 100% Venezuelan human capital, established in 2009, aimed at serving a nourished market niche (fertilizers), as a result of a decrease in imports due to foreign exchange restrictions, which has directly affected the agricultural production indexes and capacity at the national level. In the first 3 years, the Company showed a notable growth thanks to its successful internal policies and strategies. From the very beginning Cathequim C.A. has kept this well-organized and optimized way of operation, which has help it to maintain its high-quality driven vision. Once the institutional strength within the local market was achieved, the organization began to rethink its objectives in regards to expand its presence to neighboring countries, in order to increase the client's portfolio, obtain resources in foreign exchange and eliminate dependence with a single market (market's diversification). "

Nowadays, it is unthinkable to omit the reality of the irreversible expansion of international business, its progress is exponential and its achievements have transformed the world, seeking to impose a new way of life that we cannot be oblivious to. This process drives the interaction between people, companies and governments, transforming their desires, philosophy and objectives. The institution under study is identified with this vision of expansion, and that is why we proceed to evaluate it using a SWOT analysis from which a series of very useful strategies were derived for achieving the final objective (expand the brand to foreign markets), and propose, after applying the well-known methodologies for the assessment of target markets and the selection of the entry mode through which to incorporate, the most viable way to achieve internationalization. After carrying out all due analyses it was determined that Brazil (especially the state of Amazonia, capital Manaus) was the most suitable target to begin with the internationalization process of Cathequim C.A. given the opportunities provided, such as the availability of raw material, the cost and quality of labor and ultimately the production cost of

products for sale in foreign markets, as well as the geographical proximity with the northern region of the neighboring country (Manaus-Brazil)

CHAPTER I

I.1.-Problem statement

Cathequim C.A. is a Venezuelan company built upon 100% national resources and human capital, established in 2009. Initially aimed to serve an unattended but very profitable niche market (fertilizers). Recently, notorious falls have been registered as a consequence of relevant limitations, as for instance currency restrictions. These limitations have directly affected agricultural production indexes nationwide. During the first 3 years, the Company saw a remarkable growth thanks to its successful internal policies / strategies that made it possible to position itself as one of the biggest competitors in the national market over the past 6 years.

Once the organization achieved a relevant market share within the country, the Company began to rethink its objectives in order to expand its presence to neighboring countries, in order to increase the customer portfolio, generate profits in foreign currency and eliminate dependency with a single market.

This master project will go in deep to define with accuracy, the current situation of both the company under study and its local market (political / economic / socio-cultural speaking). This will provide us with relevant insights about the poor legal security, high level of management bureaucracy, unstable price regulations, among others. That is why a look towards other markets pops up as an alternative to maintain and ensure this healthy and rapid growth index registered so far, and even further, increase profit margins.

Once clarified the importance and the reasons why nowadays, the step to go internationally is more than an option, a need, to address a globalized market, to increase profit margins, or to overcome the situation that Venezuela is currently suffering, it is important to manage key elements properly, to be able to enter into new horizons, aligned to the wisest and most effective way possible.

The main motivation to develop this project is to initiate an expansion process, which could ensure a smooth path, while protecting, and increasing the profitability of the entity, which has been strongly threatened by an unstable national framework (legal, political economical, etc.) due

to the repeated tendency to enact unfavorable policies that impact negatively Venezuelan GDP, with particularly focus on the private sector.

Among the conditions that drive the Company to consider an internationalization policy, we have:

- a) High levels of production capacity of the entity. Full capacity is not being used yet.
- b) Poor stability (exchange restrictions, currency devaluation, inflation), which makes it impossible to forecast accurately in the long run, despite having proven production capacities.

With the development of this master project, the company under study will have an extended assessment that will serve as an endorsement to begin with the internationalization process, which in practice would result in greater benefits but at same time, it will contribute to minimize potential errors.

I.2.-Objectives

General:

Prepare a feasibility analysis for the international expansion of the Venezuelan company dedicated to the production of fertilizers. Case: Cathequim C.A.

Specifics:

Keeping in mind that our ultimate objective is preparing a feasibility analysis, it is intuitive to think about some specific objectives capable to help and lead this master project towards its purpose.

To begin with, we must analyze the company's internal situation, highlighting strengths, opportunities, limitations and key threats. Following by a whole structuring of comparative and detailed frameworks, comprising political, economic, social and cultural analyzes, in order to materialize a successful insertion of the company on each possible destination market.

On the other hand, it will be useful to identify the target market that could suit the most for Cathequim C.A. In other words, the country with the most stable working environment for the internationalization of the organization.

Lastly, it is important to prepare a feasible route to market into that new geography. With these 4 aspects mentioned above, it is ensured a proper routing for achieving what it was initially stated as the core of the research.

I.3.-Scope and limitations

Carrying out this project sets a pattern in the analysis of this type of companies, and their internationalization processes. This project seeks to provide solid foundations with both theoretical and analytical-descriptive background based on a company, with strong local presence and high international projections in the short and long run.

This research frames specifically the approach of a feasibility analysis capable of covering three fundamental aspects. The initial section encompasses the most significant strengths and weaknesses of the company as well as key strategies for enhancing advantages/opportunities while minimizing the disadvantages / threats. As a second section, the project defines the most relevant market variables within the international context to be applied to each of the possible destination markets. Finally, it is selected the entry mode that suit the most according to the given conditions. In this way, solid steps can be ensured for the design of a plan that allows a successful internationalization process.

Having said that, the two main limitations for the execution of this thesis are, on the one hand, the access to certain information that can be considered, by the Company, as "classified", which may difficult the company analysis. On the other hand, it should be considered the fact that within the development of this project it has been performed few interviews (a total of 3 interviews to be precise, one for each head of department and one for the general manager), as part of the information gathering process. This must be taken into account because of the chances of losing some accuracy and objectivity, which is extremely important for ensuring reliability in the dissertation's outcome and recommendations.

CHAPTER II

II.- Literature Review

II.1.- An introduction to the concept of Globalization and theories of internationalization

In regards to globalization, Stiglitz J. (2002) state de following "Globalization consists, basically, in the integration of countries and peoples, caused by the reduction of transport and communication costs, and the dismantling of barriers within trade flows of goods, services, technology, knowledge "

It is a well-known fact that the term of Globalization is a concept that has gained a notorious importance among the vast majority of current economic school of thoughts; It could be defined as the current process restructuring and global change, which impacts all the economies of the world, from capitalists to centrally planned ones.

To support the concept as a dynamic and changing process we refer to the idea introduced by two well-known theorists of contemporary economic schools of thought: Levitt T. (1983), Ohmae K. (1990); according to them, the process of internationalization of the financial markets is irreversible.

In this first definition, globalization of markets is opposed to the traditional view applied to product cycle where less developed countries were placed as a second alternative, once those rich countries became saturated. The term applies especially to the management of multinationals and concerns exclusively international exchanges.

Within his publications, Levitt links the concept of globalization, referred as the specific phenomenon of progressive unification of the markets worldwide, to the reduction of the protectionist barriers, applied by several States in order to protect their own local markets, and on the other hand, to the process of cultural standardization that has generalized worldwide lifestyles and consumption patterns.

During the 80's Levitt conceived the concept of "global society", referring to a single entity, that traded with same products and services, providing multinational (such as Coca-Cola, Nike, Ford) with the possibility of getting a broad unified demand, ideal to achieve economies of scale,

and therefore saving a lot of money, in logistics (production and distribution) and other valuable resources.

Apart from Levitt, we will consider Ohmae K. perspective (1990), where he extends this "borderless" notion to the value chain principle that promotes research and development, engineering, production, marketing, services and banking. The research suggests a logical sequence to go abroad taking into account its local base, in which case, it first establishes sales services in the foreign market, followed by local production within the destination country and, finally, agreeing a complete management of the value chain of its subsidiary.

This process converges towards a next stage: global integration, that is, when companies belonging to the same group, produce their research and development, finance their investments and recruit their staff according to the global scale, hence, globalization represents a form of management, fully integrated on a global scale of the large multinational company. Because these multinationals represent an important fraction of the world's production, they gain relevance within the arbitration between the different national spaces, which are forced to adjust themselves to multinational's demands. Globalization refers to the process by which the most internationalized companies try to define, for their own benefit, the rules of the game previously imposed by nations-states.

After the argumentation given above, it's time to turn our attention toward specific theories that bring the support needed to build upon this concept of internationalization

II.1.1.- Internationalization from the economic perspective

Under this perspective are comprised all those models that intent to explain why the majority of the companies are willing to go for an international expansion and what would be the best conditions under which the optimal location of production operations could be determined.

According to Gálvez R. (2016), these theories of internationalization from the economic perspective emerged in the decade of 70's -80's and describe the process of internationalization from a perspective based on the costs and economic benefits of internationalization. In his publication he mentions three authors Cardozo, Chavarro & Ramírez (2007), attributing the

explanation of the existence of a multinational company, whose main characteristic is defined by presenting rational processes in decision making and business behavior.

The main criticisms of the economic approach are focused on its static nature, which means that they don't develop further thoughts regarding the investment process, Alonso (1994), Anderse (1997), the incongruity and weakness of the model Andersen (1997), and measurement problems that this presents Fischer (1977), Rugman (1980), Dunning (2001). Finally, Kojima (1982) states that there are assumptions of business behavior not explained by the foundation from which these proposals start Aragón Sánchez & Monreal Pérez (2008). All the above mentioned in the publication of Galvez R. (2016)

Within this perspective are the following theories:

II.1.1.1.-Theory of industrial organization/ monopolistic advantage

According to Gálvez R. (2016), this theory resulted from the interpretations associated to the introduction of multinational companies. In the text, he points out some quotes from Kindleberger (1969) and Hymer (1976), to allude to the fact that for multinational companies to have production facilities abroad, it will be imperative to have some sort of exclusive or monopolistic competitive advantage in order to compete head to head with foreign companies in their own markets.

Within this theory, it is exposed that the competitive advantage could be afforded by different ways, whether organizationally, technologically or financially. However, for competitive advantages to be materialized, these must be specific to the investor company, easily transferable across locations or enough durable to counter the foreign rivalry. Hymer, quoted by Gálvez R. (2016), explains what kind of advantages and market structures or in which industrial sectors, these organizations focus the most.

The author also considers as a cause of direct investment abroad, the obliteration of the conflict between competing companies when the markets in which they operate, are imperfect. This fact is due to concentration phenomena that occur in certain sectors. In this situation, when companies cannot increase their market share, numerous conflicts arise between the different competitors, which conduct to decreases in profitability according to Rialp A. (1999). A solution

to these problems could be reached when an organization rules over all the companies, instead of existing independent companies or, if there are agreements between the different participants. This migration of decentralized decision processes to centralized ones will gradually occur as the degree of imperfection within the market structure considered, increases.

II.1.1.2.-Theory of Internationalization

According to Gálvez R. (2016), this theory was proposed in the late 70's, influenced by the paper published by Williamson (1975) with a deep concern about the analysis of internal informational transfer processes.

This theory has its origins in the transaction costs associated to companies developed within perfectly competitive market so that no control mechanism is needed.

From this perspective, it is recognized that multinational organizations are an alternative mechanism to the market to manage value activities across border; moreover, for companies to participate in direct investments abroad, two conditions have to be met:

1. Existence of advantages at the moment of locating activities abroad
2. That organizing these activities within the company is more efficient than selling or transferring them to companies in the foreign country aimed.

The first condition refers to the comparison of unit costs associated with producing in the domestic market and exporting the product to foreign territory in comparison with the costs of producing it in that foreign country, analyzing aspects such as: cost directly related to production, tariffs, transportation costs, government intervention, possibility of developing economies of scale, among others.

The second condition is related to the transaction costs associated with the market.

In accordance with Gálvez R. (2016), these costs are classified by Peter Buckley (1976) and Mark Casson (1979) as:

- a. Delays caused by having different activities linked by the market.
- b. Conflicts arising from the concentration of power.
- c. Difficulty when setting prices on technology transfer.
- d. Specific aspects related to international markets such as tariffs and restrictions on capital movements.

In conclusion, what this theory aims to explain is that the benefits of internalization arise from avoiding costs, associated to the imperfections of external markets, and will imply the creation of a multinational company insofar as it is carried out beyond local borders.

II.1.1.3.-Dunning eclectic Paradigm

Dunning, quoted by Monreal J. (2009), assembles within a system, the contributions of the theorists of the industrial organization, the theory of the transaction costs, the theories of international trade and location with the purpose of proposing a theory to try to reestablish economic explanations regarding the existence of the multinational company.

Dunning's eclectic paradigm aims to explain that the form, extent and pattern of international production of a company, are based on the over-position of the specific advantages of the company, the propensity to internalize foreign markets and the attractiveness of those markets to produce/manufacture there. From all these, the decision to enter international markets is made in a rational manner; based on the analysis of the costs and advantages of producing abroad.

According to this author, there are four conditions that a company must face in order to decide to exploit its competitive advantages abroad. The first of these conditions points out that companies must have their own advantages when participating in external markets that differ from local companies, these advantages can arise from two scenarios. Either the company has property rights or intangible assets as: the structure of the company, organizational capabilities, know-how

or that the advantages derive from the common management of assets network, in which case they can be classified as:

1. Advantages of established companies versus new ones (in terms of size, diversification, experience, advantages, economies of scope and little difficulty to access to key resources).
2. Specific advantages associated with the idiosyncratic characteristics of being multinational (in operational flexibility, changes in production, global supply of inputs, ability to take advantage of geographical differences, government interventions and the ability to reduce or diversify risks).

The second condition refers to the idea that companies who have such advantages, should be more likely to internationalize these advantages by expanding their value chain or through the execution of new activities, where the factors that determine internationalization will be related to the reduction of transaction costs such as: the seller's need to protect the quality of products, avoid the costs of searching, negotiating and breaking contracts, avoiding and exploiting government interventions, etc. .

Third, the company should find it profitable to locate part of its production plants abroad, taking into account proper logistics, with special focus on non-transferable factors along its borders, distinguishing the spatial resources, the quality, the price, the transport costs and the quality of the products.

Finally, the author points out as a fourth condition that for a company to perform an internationalization process, this must be aligned with the long-term strategy that the organization will consider.

II.1.1.4.-Theory of Competitive advantage of nations

Porter M. (1990) introduce a model that determines it, through the existence of four factors, whose combinations and reinforcements lead to obtain an analysis that allows decisions to be made rational, regarding the "Why", "How" and "Where" to internationalize the operations of the company.

Those factors described by Porter in his diamond (used as a source of competitive advantage) are:

Conditions of demand: The urgency of obtaining local competitive advantages is encouraged by the existence of an increasing global demand.

Factor endowment: A distinction is made between two types of factors. The first classified as "basic"; They include aspects such as: natural resources, climate conditions, location and demographic conditions. The second type of factor defined as "advanced", considered the most important for obtaining competitive advantages, integrates: skilled labor, proper communication, great budgets for research and technology.

Related industries and support: The cluster of companies that excel internationally with related industries can provide competitive advantages.

Strategy, structure and rivalry of the firms: The local rivalry between the firms, allows the formulation of strategies and the development of capabilities that allow the companies, to master those factors that in the beginning allowed them to obtain a competitive and differentiating advantage. Besides, it contributes to the positioning of the institution as an efficient and innovative company capable of standing out among many others.

II.1.2.-Internationalization from the perspective of the process

According to Gálvez R. (2016) the theories that lead the company throughout the learning process, based on the accumulation of knowledge (experience-trial and error) are:

II.1.2.1.-The Uppsala Model

It backs up the idea that companies that enter a foreign market do so as they try a small incursion in the destination country, that is, little by little they realize what strengths they could take as differentiated aspects compared to other players, where it is better to refrain from entering and how exogenous variables can play in favor or against. The model is then based on the prosecution of steps, which are generally referred as the establishment chain: first, sporadic or non-regular export activities; second, exports through independent representatives; third, establishment of a commercial branch in the foreign country and lastly, establishment of productive units in the foreign country.

At each stage, there is a higher degree of international taken by the company in that market in terms of commitment of resources. Likewise, it gradually increases the experience and information that the company has on the foreign market, also implying the adoption of a different entry mode; this is described by Johanson J. and Wiedersheim-Paul F. (1975). On the other hand, according to Gálvez Díaz (2016); Johanson J. and Vahlne J. (1977) state that companies initially define their entry to a market abroad by means of a pattern known as the one of least "psychological distance", that is, regardless of the fact that geographically the target country is either next or distant, the set of linguistic, cultural, political, educational or industrial development differences are the aspects that will truly define the difficulty of penetration from the perspective of confidence and security levels.

II.1.2.2.-The Innovation Model

The model proposed by Zapletalova (2013) is based on the correlation between internationalization and innovation, the latter being the engine of the former and at the same time the result. The stages of the process are: first, domestic market; second, pre-exporter; third, experimental exporter; fourth, active exporter and fifth, committed exporter. The company, led by creativity, makes the figure of the manager in the central pillar of the process. The uncertainty in this model is the price paid by that company that is willing to break the limits of the market and its own operation. This model highlights the cumulative nature of the decisions made both in the internationalization process and in the innovation process, provided that these are conditioned by the decisions that have been made in the past and, in turn, will condition those decisions that need to be taken in the future.

In the binomial of internationalization and innovation, as mentioned above, factors governed by a cumulative, non-deterministic sequence are recognized, since both benefit from the temporal dynamics that characterize those decisions based on the learning process. This assertion is attributed by Gálvez Díaz (2016), to the experts of the subject Alonso and Donoso (1998) who emphasize, the idea that the own experience accumulated by the organization through a continuous learning process is the key to the acquisition of the necessary capabilities to compete in international markets; Internationalization is assumed with a vision that is constituted from a constant learning effort.

II.1.2.3.-Systematic Planning Model

As the name suggests, planning is the main axis for the success of the internationalization process. It is based on the assumption of perfect rationality on behalf of both big and small enterprises.

Root F. (1994) established the process of systematic planning for the internationalization of a company as a sequence of five steps:

1. Measurement of market opportunities.
2. Statement of objectives.
3. Input mode selection.
4. Formulation of the marketing plan.
5. Execution.

II.1.2.4.-The Vernon model of product life cycle

According to the observation made by Monreal J. (2009), this model constitutes a link between the perspectives of internationalization based on the country, supported by the theory of international trade; this is taken from the author of the international investment theory Melin (1992). Now, Vernon (referred by Monreal J. (2009)), defines the company as the core of the analysis, focusing on the decision to locate the production. Countries where there is high per capita income and high wage costs are emerging as good prospects for the development of new products that allow cost savings or meet the requirements of an increasingly demand, as it was the case in the United States at the moment Vernon developed his model. Under this starting point the organization goes from producing in the country of origin to producing in a foreign country, through these five stages:

- 1) Introduction: Orientation towards the country of origin. The product is manufactured and marketed in the country where it was developed. The aim is to achieve economies of scale, which can justify the exports to other industrialized countries.

- 2) Growth: Orientation towards the main industrialized countries. Export activity increases and investments are made in manufacturing plants in countries with growing demand.
- 3) Maturity: Relocation of direct investment. The main product markets are saturated, and the product has been standardized. Manufacturing is diverted to countries with cheaper labor.
- 4) Decline: Leaving the country of origin. The demand in the country of origin is almost non-existent therefore the company is forced to abandon the manufacturing within the country of origin.

The referred model allows us to set ground for giving solid answers to the following key questions: On the one hand, it should be asked where to locate the activities of the company? and on the other hand, how does this process of international expansion evolve ?

II.1.3.-Internationalization from the strategic focus

II.1.3.1.-Network Model

Developed by Johanson-Mattsson (1988), this model comprises theories that explain the process of internationalization as a logical development of the organizational and social networks of companies. Currently the information is more valued than ever, the networks and contacts that the company possesses will determine an optimal course of opportunities and reduction in costs. When talking about penetrating foreign markets, this idea acquires much more value because it is seen as the bridge towards continuous inter-organizational interactions between local companies and their networks. This means generating a hyper connection with organizations that have valuable information, where benefits are mutual.

The main objective is to take advantage of business opportunities depending on the size of the network and the diversity of it. It is clear that large diversified companies have more opportunities to exploit the benefits, thanks to the ties established through their networks.

According to Monreal J. (2009), for many industrial and high-tech companies, the road to internationalization reflects their position in the network, in relation to several customers and suppliers. Creating in this way, bridges to other markets.

In addition to provide connections in other markets, social networks are useful for researching and evaluating potential partners. Within the thesis authored by Dr. Margarita

Fernández Monroy and Dr. Inmaculada Galván Sánchez (2008), it is mentioned the Larson's (1992) analysis that has to do with the case study of dual business relationships, where it was observed that knowledge about reputation of a potential partner combined with a historical of personal relationships reduces the risk of the operation, because it establishes the foundations of mutual trust. In international business, some form of social commitment is sometimes necessary in order to establish the formal foundations before beginning negotiations.

When they are internationalized, companies create and develop business relationships with their counterparts in foreign countries, an idea developed by Rialp A. & Rialp J, (2001) This phenomenon evolves in different ways:

- 1) Relationships are established with partners in countries that are new to those companies willing to go abroad (international extension).
- 2) Commitment increases in already established networks (penetration).
- 3) It is reached an integrated position within the networks between different countries.
- 4) Decline: Leaving the country of origin, where the demand is almost nonexistent.

In any of the forms that is carried out, internationalization implies the exploitation of the advantage that constitute networks, the use of opportunities and the optimization of contacts.

For a deeper classification, depending on the degree of internationalization of the market and the degree of internationalization of the company itself, Monreal J. (2009) attributes to Johanson, Mattson, Chetty and Blankenburg Holmel the idea to identify four categories of international companies: the start-up company, the lonely company, the lagged company and the international company along with the other organizations. We will explain each one below:

Initially, companies (start-ups) have little knowledge about the conditions of foreign markets and, moreover, cannot use their relations with the other members of the network to acquire it, since these have not yet been internationalized, their activities are carried out locally.

With a low degree of internationalization, the company is called lonely, since it has acquired knowledge about new environments, sometimes very different from the local one, in which the risk of entering new markets is perceived as lower. Expertise and resources allow this

company to make investments that involve a higher level of commitment, acting, at the same time, as a promoter of the internationalization of the other members of the network through the relationships established with other local networks.

In third place is the lagged company, where the situation is as follows: the members of the network (suppliers, customers and competitors) are highly internationalized, and even the domestic firm is involved in indirect relationships with external networks that can act as driver in the process of internationalizing the entity. It is common to find small, highly specialized companies that contribute to the solution of specific problems of some part of the network.

The last scenario is the international company along with other companies, where it and its environment are highly internationalized. In this case, the use of sales and manufacturing subsidiaries predominates, so the coordination of the network units is fundamental, since the company considers markets as a single market, transferring resources from one unit to another.

Some scholars of the subject suggest shift of paradigm given the fact that companies and their environment, are not two differentiated entities, in addition, the interaction of the institution with other companies, promotes the development and formation of their own environment. In this same order of ideas, they point out that companies should not focus on their internal barriers while facing an internationalization process; on the contrary, it must be taken both resources and opportunities offered by the business network to enhance the odds to succeed.

II.2.-Theory of the Born Global

It is a recent field for experts and scholars, since it corresponds to those companies that are born international or that are introduced in foreign markets in their first two years of operation. In the research developed by Koed T. and Servais P. (1997), the authors relate the emergence of born global companies with three important factors:

- 1) The new market conditions.
- 2) Technological developments in production, transport and communication sectors.
- 3) The most developed capabilities of people

The results of the three previous factors are: the reduction of communication and transportation costs, the easy access to new information technologies and the greater integration of the different regional economies; causing a series of circumstances that facilitate the fact that a company can carry out international activities from the moment of its creation. In order to obtain competitive advantages that allow the achievement of a sustainability in the market over time, in addition to the certainty of securing a place in it, the academics of the field managed to identify a set of entrepreneurial competences such as: a global vision, a focused approach to develop business or the ability to recognize technological opportunities and capitalize on them, all without forgetting the performance of these characteristics in conjunction with the decision maker.

It is not a secret for anyone that day by day this phenomenon "entrepreneurship" or the so-called start ups is becoming more and more important. Some conditions that have facilitated its appearance are facts such as the disappearance (fully or partially) of the barriers associated to the cost of being an international business, the encourage for both developing and improving communicational channels, the markets openness and the shortening of physical distances thanks to technology, the fact that business can be developed in different countries from the desktop remotely, apart from the possibility of collecting, analyzing and interpreting information on international markets in real time are ideas that were not even thinkable 6 decades ago.

II.3.-Methodology for selecting foreign markets to export

Monreal J. (2009), states that some conditions that have facilitated the appearance of entrepreneurship, as a driver of huge impact, are based on the fact that barriers costs are gradually vanishing, on the other hand, important developments in communications has been potentiated, in addition to the fact that markets have become more accessible, businesses can be developed remotely, by using purely digital infrastructure and that information on international markets can be collected, analyzed and interpreted without being at the place physically.

The decision to export is, perhaps, the most important one within the globalization process for company. The selection of a country commits the company to operate in a given market; the success of this first step of internationalization sows the foundations for a global expansion.

The selection of foreign markets is a decision on the competitive positioning of the company, both in geographical and psychological terms. Regardless of the entry mode chosen by

the company, factors such as the manufacturing facilities locations, distribution networks, sales force or financing sources will be decisive to establish how the company is positioned in comparison to its competitors and the opportunities that may appear.

On the one hand, selecting the right market is crucial for companies, considering the great importance gradually gained by both, economic and trade blocks. In most cases, preferential treatments are given to companies located in those "special" countries that belong to these agreements. On the other hand, a poor selection of markets can be very expensive, especially for SMEs. Further than direct costs, derived from trying to enter a highly competitive market or with low potential, poorly selecting a foreign market can lead the company to imminent failure, which can discourage the company in its process of internationalization.

The methodology proposed by Brewer, P. (2001), is a very practical to implement. The theory is developed based on the assumption that companies seek out new markets hoping to have positive financial returns. These expectations depend on judgments about the attractiveness of the markets and the competitiveness that the company can have in them, based on information obtained from different sources.

The model comprises a set of steps that lead from the pre-selection of feasible countries to finally decide which is the one that has the highest probability of success based on a bunch of relevant factors considered, in Figure 1 these steps are outlined. The steps are the following.

Step 1: Determination of a set of feasible countries. Through the analysis of the company policy, and some practical determinants, a set of countries should be defined within which the final market will be selected.

Step 2: Close Identification of those Country considered within the set.

Step 3: Deep dive analysis on each market. For this, should be taken into account: apparent consumption of the product, attractiveness / size of the market, openness to imports, etc. In short, 2 main aspects:

- Attractiveness of the Country.
- Competitive position.

Step 4: Market's final selection. After the evaluation, the company selects the countries considered by it as the most profitable; with the greatest development projection. These resource allocation decisions are based on profitability assessments.

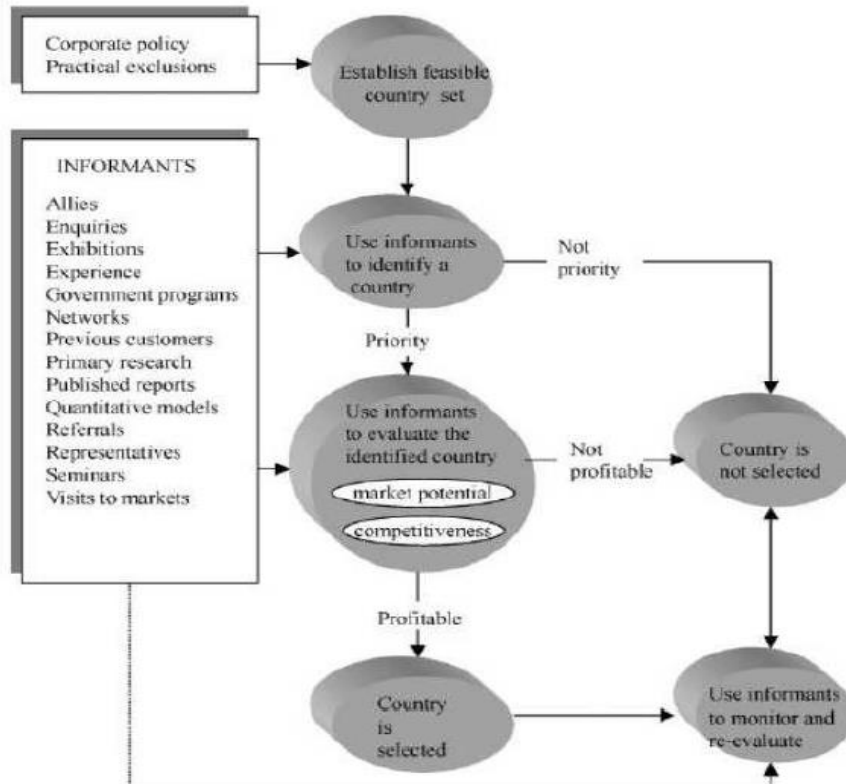


Image No. 1:
MODEL OF SELECTION OF ENTRY TO FOREIGN MARKETS

SOURCE: Brewer (2001)

- The informants: This model is based on information obtained from different sources, whether external or internal, which are called Informants. Some of them are:
 - Allies: Companies use knowledge and experience from other business units, business associations, government agencies, etc.
 - Queries: Requests for information or products from potential clients.
 - Exhibitions: Attendance to exhibitions or fairs of related or similar products.
 - Experience: Although it is not a highly relevant source, past experiences related to the market to exploit, even in different products, can be useful.

- Government Programs: Research programs to promote specific industries or sectors.
- Networks: Access to data networks where information can be obtained.
- Previous Customers: If they exist, they can be an important source of information.
- Primary Research: Reports published in the media.
- Quantitative Models: Not always used.
- Seminars: Information obtained from attendance at seminars, congresses or symposiums, or publications released, always related to the business.
- Representatives: Direct or indirect agents in the markets to be evaluated.
- Visits to the markets: Visits of the company to the markets to be analyzed in order to obtain firsthand information.

An important consideration when using this methodology is that it is easy to apply and includes the most significant variables for market selection. In addition, it takes advantage of the information and experience existing in the market, which saves resources in terms of both, time and money. In this way, the company has an easy-to-use tool, which can be implemented in future selections and which allows the company to make a decision backed it up with robust arguments.

II.4.-The Fertilizer Market

After having reviewed all the theories and scientific considerations that provide the necessary academic support to proceed with the development of the dissertation, as well as the frame of reference under which the project is framed, we will introduce a some insights that will serve to have a general context relative to the market dynamics that Cathequim C.A. copes nowadays. In order to get an holistic vision of the fertilizer market, the sector in which the company operates, it is important to highlight and detail two different perspectives that are complementary. The first of them is the In-Home Market, referred from now on as IHM; on the other hand, we will consider the Out-of-Home market, referred from now on as OHM.

II.4.1.-In-Home Market (IHM)

According to statistics provided by the Confederation of Associations of Agricultural Producers of Venezuela FEDEAGRO in its annual publication (2019), the local fertilizer market is worth nearly 303 million Dollars in value and 1,019,661 tons.

Based on the financial data supplied by the Cathequim's Board (Table 23 Cathequim Portfolio), nowadays, the company maintains a market share close to 1.5% with annual sales close to 4,800,000 dollars. Additionally, it is important to mention that, according to the publication of the Confederation of Associations of Agricultural Producers of Venezuela FEDEAGRO (2019) 85% of the market is managed directly by the state company PEQUIVEN, which maintains an important advantage with the rest of the competitors due to the preferential treatment and support it receives from the Government.

Considering the above, it can be concluded that Cathequim C.A. is considered one of the main players formed from 100% private capital within the national market.

That said, it should be taken into account that even when the national market is quite significant, the fact that the government and its subsidiaries have control over 80% of the local market, turns the scenario into an unfavorable environment for SMEs with private capital, due to the clear disadvantage that exists for the private sector in terms of price, investment margins, preference in transportation routes, among others. This situation has prompted many companies to propose internalization projects in foreign markets with more favorable conditions, offering more opportunities for expansion and growth.

II.4.2.-Out-of-Home Market (OHM)

After having described the HMI, it would be interesting to describe the external environment in which the Venezuelan fertilizer market is immersed. If we take as a base the fact that the local market presents an annual consumption of 1,019,661 tons and compare it with the average consumption reflected among the main South American countries for the consumption of fertilizers (Brazil, Colombia, Chile, Uruguay) with a value of 18,710.926 tons, according to the information provided by IICA, REDPA, CAS, Nutrien and Knoema Corp in their most recent annual reports 2019, we can clearly observe that the average consumption for these main

agricultural economies exceeds the consumption value for the Venezuelan market with a wide margin, showing a difference of approximately 18 times the value of the local market. That said, it could be concluded that there is a large gap as well as a great potential that could be exploited, if after a more exhaustive analysis, it is possible to prove that there is an imbalance between supply and demand, where demand is overshadowing market supply, which would mean a key penetration opportunity for Cathequim C.A.

CHAPTER III

III.- Data Collection and Analysis Methods and Techniques

To fulfill and cover the objectives set out at the beginning of the research, a structured methodology will be used as a frame of reference along with a set of techniques and instruments aimed to collect information, set the population and relevant sample and lastly, a section for the validation of the data collection instruments.

III.1.-Research Phases

In order to cover all the objectives outlined above, this work has been structured following the guidelines of a publication of the EADA University (Spain) by the author Joan Albert Garcia Moga (2012)

A total of 3 phases define the context in which the research process is framed. Here we describe them one by one:

Phase I: Consulting and reviewing of various data sources, for collecting relevant data both of the company under study as well as of the different markets taken into consideration, in order to obtain the information that serves as the foundations for the feasibility analysis presented. .

Phase II: Application of the methodology described throughout the publication, based on the diagnosis of the internal situation of the company Cathequim C.A.

Phase III: Processing the quantitative and qualitative information obtained through the different support tools implemented, including: SWOT analysis, internal factors assessment matrix (IFA), external factors assessment matrix (EFA) and the different tables for the analysis of political, economic, social, cultural and legal environment of each of the possible destination markets.

Now, within the manual's framework referred above, it is listed ten basic steps to be followed when considering a project of this nature (Internationalization of a Brand, Product or Service). It is worth noting that each of the steps has a particular objective linked to a chronological order that we must not lose sight of.

On the other hand, it is important to bear in mind that the described algorithm encompasses the whole set of steps in four phases of development. The first one is purely analytical; with this phase, it can be answered a very important question: Is the Company suitable for the step to internationalization? The second stage helps us to define the selection of foreign markets to be considered for the commercialization of the product. A third phase that goes deep into the target chosen for the company and its purpose and, finally, one last phase that delimits controlling/monitoring mechanisms for the actions and outcomes obtained, by means of tools as Balanced Scorecard.

The list of steps defined in the publication is as follows:

1. Diagnosis of the internal situation.
2. Markets listing.
3. Analysis and selection of potential markets.
4. Decide how to enter the market.
5. Identify the target audience on each market
6. Define the positioning.
7. Define the product configuration
8. Price fixing.
9. Work in the sale and promotion.
10. Perform follow-up and control.

Now, because of the nature and scope of the research, we will focus on the analytical phase (composed of the first 4 steps), since this is responsible for determining the feasibility of the study.

In order to succeed in each of the first 4 steps, it will be used a series of qualitative and quantitative tools to get an accurate and concise projection, thus obtaining a considerable reduction in the margin of error by assumptions or intuitions.

Following the line of thought, it is appropriate to consider the scope of each of the key steps, in conjunction with the measurement instrument to be used. The diagnosis of the internal situation provides a diagnosis of the internal and external situation of the Company, as an

institution capable of competing in a different market (foreign countries). Within it, it is taken into account a whole series of factors at a business/logistic level; before starting the international development process. A SWOT analysis will be used, through which strengths (S), weaknesses (W), opportunities (O) and threats (T) will be identified, from which a broad and large-scale situational approach will be derived. In addition to this, we will generate both, internal factors assessment matrix (IFA) and external factors assessment matrix (EFA) to move from a purely qualitative analysis to a more complete one that also reflects quantities, easy to measure and compare objectively.

Following that, it is established a list of possible countries (markets) destination based on relevant aspects such as: market with large number of potential customers, geographical and cultural proximity; to then focus and deepen the analysis of these potential markets, prioritizing opportunities and considering political, economic and social stability as well as the business environment. All this information will be supported and duly documented by the tables and indicators published by competent entities in each of the areas, such as the World Bank and the publication "Doing Business" for the study of regulations, ease and confidence to do business.

Finally, after having identified and framed the aspects of stability , vulnerability and the environment in which it intends to venture with all the advantages and disadvantages that this represents in terms of investment and risk, it should be specified which will be the strategy followed to entry to the Market according to our business model and characteristics of the country analyzed .

In this sense, we must bear in mind that not only is there the possibility of exporting; but there are multiple approaches for commercializing internationally, i.e. Joint Venture or Turnkey Operations, to list some of them.

Therefore, it is essential to know in deep all the entry modes available for us, what can they offer, considering advantages and disadvantages over the rest of possibilities, and the difficulty to implement them (time, expertise, investment). For this particular analysis, it will be provided a detailed chart of the different mechanisms with their characteristics, and based on this information, it will be possible to select the one that suits the most to our capabilities and requirements.

III.2.-Techniques and instruments for data collection

For the particular case of this master project, there were used these techniques and instruments described below:

• Interview

In regard to the advantages and disadvantages of interviews, it must be highlighted that the main advantage of the interview lies in the fact that data related to behaviors, opinions, desires, attitudes, expectations, etc., comes from primary sources

By applying the interview as an instrument for data collection, we obtained 3 complementary perspectives, one from the technician level, other from the manager level and the last one from the executive manager perspective. Taking this information, along with what was obtained in the scientific observation phase, it can be structured a very complete and precise SWOT analysis of Cathequim C.A.

• Documentary analysis

In agreement with Betancourt R. (2017), who in turn quotes Arias (2012), establishing that the documentary analysis "is a process based on the search, recovery, analysis, criticism and interpretation of secondary data, that is, data obtained and registered by other researchers in documentary sources: printed, audiovisual or digital. " (p 49)

In order to provide a good support to the research process, various bibliographical sources related directly to the subject of study were consulted both for the situational analysis of the different countries considered, as well as for the Company.

III.3.-Data analysis techniques

In this master project, information of both natures (qualitative and quantitative) is analyzed. The numerical data is analyzed as shown. However, qualitative information is not always processed in the same way, in certain cases it is presented in the form obtained with the SWOT matrix, but in other sections it must be codified as when we generate the EFA and IFA matrices

- **Descriptive tables**

In our case, we have that, the data is obtained with the application of the instruments already described above. Then, the information is presented in tables in order to develop the objectives set.

The analysis and interpretation of results obtained are also analyzed in a qualitative manner, which strengthens the quantitative analysis.

III.4.-Population and sample

The population is constituted by the personnel of the company Cathequim C.A. That give us a total of 25 members, taking into account employers and employees.

A non-probabilistic sample (understood as the one whose selection does not depend on everyone having the same probability of being chosen, but on the decision of the author) will be taken from the population or universe indicated. This sample will be integrated by the general manager and two managers, for a total of 3 interviews.

CHAPTER IV

IV.- External Analysis

The first step towards the internationalization of a company is to understand the field in which it operates. The objective of this approach is to analyze internally and externally the current situation of the company. According to the workflow that has been proposed for the development of this thesis, we will begin by defining and limiting the external framework from a local point of view, and then we will enter the internal analysis of the company. Once this first phase is completed, the possible markets in which the company can expand its commercial operations will be analyzed at a macro level and finally we will define a SWOT analysis in which we will summarize the key ideas necessary to propose high-impact strategies that will help the company achieve its international expansion objective.

Following this approach, we will proceed to define the external environment in which the company operates today, the Venezuelan market. To this end, we will develop a SWOT analysis in which the key areas of the Venezuelan economy will be defined.

IV.1.- Analysis of political stability

In order to assess the Venezuelan political stability there will be reviewed some local indicators in terms of politics, economy, health, environment, social equality. All this data will be extracted from the Democracy Ranking portal. On the other hand, it is important to take into account parameters related to the freedom of press, voting, children's rights, governance, freedom of religion among others. All these will help to set the grounds and understand the environment and the conditions faced by the company nowadays.

Parallel, the index of democratic development of Latin America is measured in order to establish basic democratic conditions, in terms of political and civil rights, institutional quality, political efficiency and also the right to govern effectively.

Table 1 shows an analysis of some democracy's indexes. There were considered indexes related to political freedom, civil rights, institutional quality, political efficiency and the freedom of government to work. The purpose is to give more context on how Venezuelan politics is been currently managed

Table No. 1

VENEZUELAN POLITICAL STABILITY INDEX

Country	Democratic development index	Democracy Ranking	Freedom House
Venezuela	21	126/178	Not Free

SOURCE: Latinobarómetro (2019), Democracy Ranking (2019), Freedom House (2019)

The reason behind to such negative indexes, is because Venezuela’s democratic institutions have deteriorated since 1999, but conditions have grown sharply worse in recent years due to a concentration of power in the executive and harsher crackdowns on the opposition. Following a strong performance by the opposition in 2015 legislative elections, the legislature’s powers were curtailed by a politicized judiciary, and in 2017 the body was supplanted by a new National Constituent Assembly that serves the executive’s interests.

Government corruption is pervasive, and law enforcement has proven unable to halt violent crime. The authorities have restricted civil liberties and prosecuted perceived opponents without regard for due process.

IV.2.-Analysis of economic and social stability

Moving on with the economic and social indicators, as it could be expected, the trend is unfavourable. Despite having too much potential to take advantage of, Venezuela is performing poorly in this field.

According to economic freedom indexes published by Heritage Foundation, the main economic indicators are:

Table No. 2

VENEZUELAN ECONOMICAL AND SOCIAL STABILITY

Country	REGULATORY EFFICIENCY			OPEN MARKETS		
	Business freedom	Labor freedom	Monetary freedom	Trade freedom	Investment	Financial freedom
Venezuela	33,9%	28,0%	0,0%	60,0%	0%	10%

SOURCE: The Heritage Foundation (2019)

Apart from the market freedom and regulatory efficiency, there are other interesting indexes to be taken into account before jumping to conclusion. We refer to data related to property rights, judicial effectiveness, tax burden, among other. In the following table there were listed these indicators.

Table No. 3

VENEZUELAN RULE OF LAW AND GOVERNMENT SIZE

	RULE OF LAW			GOVERNMENT SIZE		
Country	Property Rights	Gov. Integrity	Judicial effectiveness	Gov. Spending	Tax Burden	Fiscal Health
Venezuela	7,6%	7,9%	13,1%	58,1%	74,7%	17,6%

SOURCE: The Heritage Foundation (2019)

After reviewing the data, it can be concluded that due to the political instability taking place in the last 10 to 15 years, the country is lacking of proper management, capable of implementing policies and incentives to the benefice of the local economy. What is more, over the last 2 terms in office, the current Venezuelan president Nicolas Maduro has imposed several bureaucratic procedures that have impacted in a very negative way both imports and exports no only by controlling and limiting with harsh restriction how companies must do business, but also imposing tons of taxes. In table 4, the macroeconomic statistics of the Venezuelan market is disclosed.

Table No. 4

MACRO ECONOMIC DATA OF VENEZUELA

Country	Population (Millions)	GDP (Billions, PPP)	GDP Growth Rate (%)	5years Growth Rate (%)	GDP per Capita (PPP)	Unemployment (%)	Inflation (%)	FDI inflow + (Millions)
Venezuela	31,4	\$380,7	-24	-45	\$12.114	57,7	3000	\$-68

SOURCE: The Heritage Foundation (2019). GDP: Gross Domestic Product. FDI: Foreign Direct Investment.

It is a well-known the fact that Venezuela is currently plunged into a unfavorable political and economic environment. This statement can be easy deducted from the data presented within above with a hyperinflation over 3000 %, repetitively external debt increments up to its current value over 150.000.000.000 \$, as well as its notable decreasing in GDP nearly 45 % decrease over the last 5 years.

As it could be expected, when comparing the regional ranking, it can be confirmed that Venezuela is placed at the bottom of the list, below countries in with Ecuador, Bolivia and Cuba in this order. The information is extracted from The Heritage Foundation

Even though, it has to be said that those local companies capable of producing with local resources, could benefit from the situation if they are able to report sales abroad, due to the low production cost and salaries that have been impacted and jeopardized by this unstable condition.

In order to confirm how correlated the economy and social stability are, it is worthy to take into account the analysis of human development and index of prosperity provided by the Legatum Institute.

Table 5 shows the position in which Venezuela is listed.

Table No. 5
SOCIAL INDEXES OF VENEZUELA

Country	Venezuela
Position	126/149
HDI	0.53/1

SOURCE: Legatum Institute (2019). HDI (Human Development index)

According to the data shared by the Legatum Institute, Venezuela is 126th in the overall Prosperity Index rankings. Since the Prosperity Index began in 2007, Venezuela has moved down the rankings table by 44 places. This decrease in performance could be easily understood if it is taken into consideration how poorly is performing Venezuela in some elementary aspect as in Health (listed in the 83th position, behind countries currently in war like Vietnam or some others apparently more jeopardized as Trinidad & Tobago and Suriname, for instance). Due to the poor economy, Venezuela is experiencing a severe medicine shortage and hospitals are struggling to stay open. The Pharmaceutical Federation of Venezuela estimates the country is experiencing an 85 percent shortage of medicine; Safety and Security (listed in the 142th position, with 2 of the most dangerous city worldwide Caracas and Guayana placed 2nd and 9th respectively, according to BBC top 10 ranking of the most violent cities for 2019), Social Capital in the 112th position (right after Turkey and Zimbabwe), to mention some.

After analysing how poorly is Venezuela managing the local situation and how negatively is this state of anarchy impacting Venezuelan, not only in terms of business and politics but also in social terms, it could be deducted that citizens and companies have been brought to extremely harsh conditions, that in some cases could be considered worse than what can be found in other countries where the situation is supposed to be more critical (Countries with lesser resources like Trinidad y Tobago, countries in war like Vietnam, countries facing natural phenomena, etc.)

Now, in terms of poverty, nearly 90 percent of Venezuelans live in penury. According to estimates by the United Nations Economic Commission for Latin America and the Caribbean, this is a dramatic increase from 2014 when 48 percent of Venezuelans lived in poverty

As a consequence of this disastrous situation, Venezuelans are fleeing the country. According to the BBC statistics, in 2017, 2018 and 2019, nearly one million Venezuelans have fled the struggling nation, one of the biggest migration crises in Latin American history after the mass exodus following Fidel Castro's 1959 revolution. Many Venezuelans report they no longer feel safe in their home country and have lost hope in government officials.

IV.3.-Analysis of the business environment

In order to assess how open is the Venezuelan business environment, it was elaborated a table in order to summarize the most key aspect to be aware of when starting a business in the country. The table comprises data related to business regulations and it is based on data taken from the World Bank and of the publication "Doing Business, 2019"

Table No. 6

BUSINESS ENVIRONMENT OF VENEZUELA

Country	Easy of doing business Ranking	Starting a business	Dealing with permits	Obtainin g electricity	Registerin g property	Gettin g credit	Paying taxes	Trading across borders	Enforcing contracts and investment	Solving Insolve ncy
Venezuela	188/190	25.0%	46.5%	39.8%	50.3%	40.0%	11.4%	50.5%	46.9%	18.5%

SOURCE: Doing Business (2019)

After reviewing the table, it must be said, that it is shocking to see how precarious is the local situation for Venezuelan companies, not only for those that are consolidated long time ago and pretend to keep operating in the Venezuelan market but for those entrepreneurial projects

willing to start operations. Given the fact that the national system is full of bureaucracy and corrupting, it is extremely difficult to maintain a balance between risk of investment and profits. In any other situation, Venezuela would be an excellent market to explore and take advantage of, due to its uncountable natural resources and immeasurable potential, however its political and economic instability make it a pretty complex market to face.

IV.4.-Analysis of international treaties

In order to take into account the most relevant imports/exports policies reached between Venezuela and its neighbouring countries, it will be listed some of the key international treaties within the region (Latin America) as well as its current status. The information disclosed was extracted from the web site of the “Asociación Latinoamericana de Integración” (ALADI)

In the following table, "Venezuelan International treaties and current status", there were included the referred the most important agreements

Table No. 7
VENEZUELAN INTERNATIONAL TREATIES AND CURRENT STATUS

International treaty	Countries comprised	Current status
ALADI	Argentina, Bolivia, Brasil, Chile, Colombia, Ecuador, México, Paraguay, Perú, Uruguay, Venezuela and Cuba	Active member
Mercosur	Uruguay, Paraguay, Brasil, Argentina and Venezuela	Temporary suspended
ALBA	Venezuela, Cuba, Bolivia, Nicaragua, Dominica, Ecuador, Antigua and Barbuda, Saint Vincent and the Grenadines, Saint Lucia, Grenada and the Federation of Saint Kitts and Nevis.	Active member
UNASUR	Argentina, Bolivia, Brasil, Chile, Ecuador, Guyana, Paraguay, Perú, Surinam, Uruguay, Colombia y Venezuela	Active member

CELAC	Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brasil, Chile, Colombia, Costa Rica, Cuba, Dominica, Ecuador, El Salvador, Guatemala, Grenada, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Panama, Dominican Republic, Saint Kitts and Nevis, Saint Vincent and The Grenadines, St. Lucia, Suriname, Trinidad and Tobago, Venezuela and Uruguay.	Active member
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SOURCE: ALADI (2019)

The analysis of the main factors that determine and define the environment and the reality that Venezuelan industry faces today is very useful since it provides a perspective that allows to understand the behavior, vision and method that must be implemented by that national corporations in order to fulfill two fundamental objectives. Firstly, to ensure business continuity locally and secondly, to promote business expansion internationally.

CHAPTER V

V.-Internal Analysis

Following a coherent order of ideas, it is worthy to start by giving some relevant insights about the company itself, its internal organization, the sector in which it operates and more. Cathequim C.A. is a company located on Sorte Avenue, Industrial Zone of Chivacoa 3202, Yaracuy State, in Venezuela. It has 9 years of experience within the agro industrial business, formulating, manufacturing and distributing fertilizers for fertigation, used by vegetable, fruit and cereal producers throughout the country. This company, which initiated operations in 2009, has experienced a clear rise within the Venezuelan market as a result of a joint effort in the management of production, quality control, technical development, marketing and commercialization. The company owns lands, warehouses and own machineries located in the industrial area of the Yaracuy, which reassure its organization capacity, its potential for continuous growth and development of a wide products' catalog for the agro-industry sector (see Annex – Table 23 – Cathequim Portfolio – Source: Cathequim C.A. (2019) adapted).

V.1.-Company's Mission & Vision

Like any formal enterprise, the organization has a mission and a specific vision on how to reach its goals. They are detailed below.

Mission: *We are a company dedicated to formulate ,manufacture, commercialize chemical products, fertilizers and vitamin complexes with high quality minerals especially thought to solve the needs in the agriculture sector, targeting both, local and foreign markets ; achieving the highest price-value satisfaction for our clients, generating progress and welfare for its workers and with great social and environmental responsibility.*

Vision: *It will become the best and most faithful option in fertilizers and chemicals for its clients, understanding their problems, manufacturing solutions, meeting needs and thus contributing more to the agro-industrial development of Venezuela and neighboring markets, managing to maintain and grow in time with a technical, human, environmental and socially responsible visions. Bastida (2016)*

The organizational structure of the company Cathequim C.A., whose is shown below, corresponds to a centralized functional organization. It is organized into two departments: the Operations department and the Sales and Marketing department. It has 25 employees, 8 of them designated to the operations department, 15 of them designated to the sales, marketing department, the remaining, 1 manager for each department, and 1 Executive manager, which classifies it as a small company.

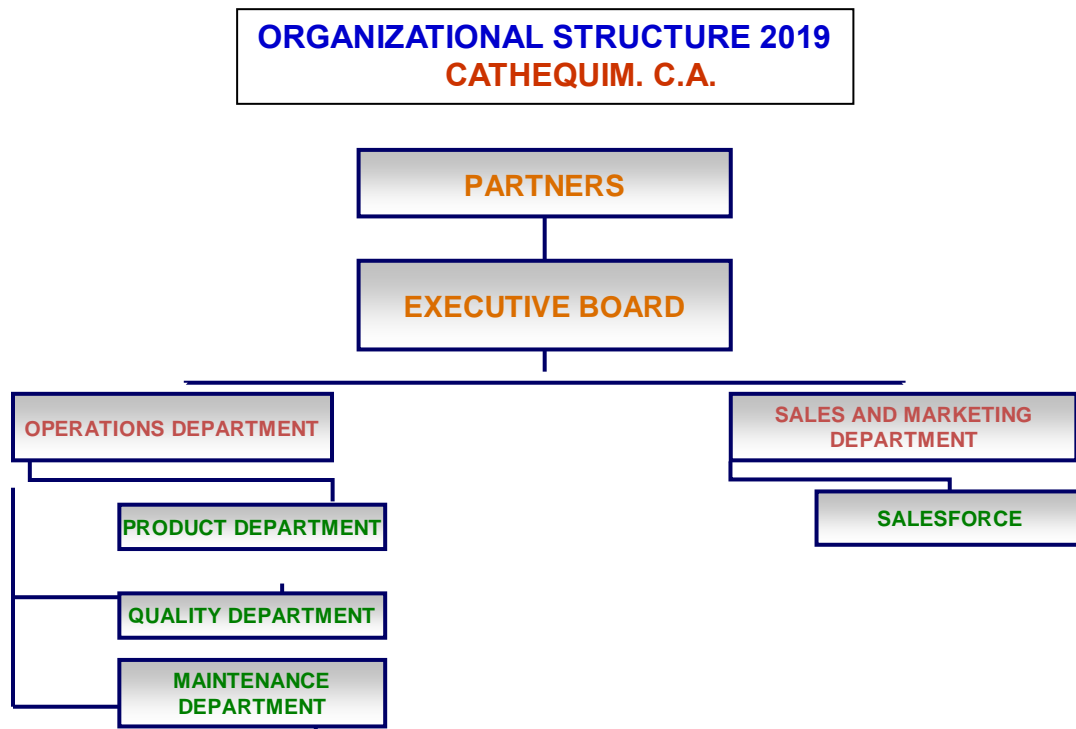


Image No. 2:
ORGANIZATIONAL STRUCTURE, Cathequim C.A.

SOURCE: Bastida J. (2014)

V.2.-Company Portfolio

Nowadays, the company has become an important manufacturer of fertilizers, mainly focused on the improvement of soils and crops, thus maintaining the future vision of being one of the major exporters within the field. Currently, it reports a portfolio of seven products, which have been consolidated in the local market, as important alternatives in the search for a more ecological and friendly agricultural business with the environment.

As highlighted before, the Company has an extensive portfolio, capable of coping with most demanding requirements for the Venezuelan and regional agricultural sector. In order to get

a better understanding and stronger foundations regarding the potential that the company holds, it is important to take a deep dive on each of the products Cathequim C.A. currently offers.

To begin with, it will be introduced Nutricathe 9-40-9. Regarding its technical specifications, it can be said that, it is a greenish crystal fertilizer that offers a humidity margin of up to 3% (when it is exposed to a controlled environment of 60 C for 1 hour), and a conductivity tolerance lesser than 1.8 mS/cm, which stimulates the production of tolerable salinity levels by most crops formulation. In terms of its functional description, it can be highlighted that is fertilizer with high phosphorus content favorable for the growth and initial development of roots during the establishment of the seedling. Additionally, it can cover the phosphorus requirement to maintain the plant's energy system in later stages.

Following in the list, we have NutriCathe 18-18-18. Regarding its technical specifications, as it is observed in the case of NutriCathe 9-40-9, it is a greenish crystal fertilizer that offers a humidity margin of up to 3% (when it is exposed to a controlled environment of 60 C for 1 hour), and a conductivity tolerance lesser than 1.8 mS/cm. In terms of its functional description, it can be said that is Fertilizer formulated as soluble crystals to be used in fertigation. It offers an adequate balance of nutrients in the intermediate stages of the crop, such as differentiation, flowering and fruit set.

Apart from NutriCathe 9-40-9 and NutriCathe 18-18-18, the company offers NutriCathe 15-10-30. It presents the same technical specifications, described for the other two fertilizers listed above, a greenish crystal formulation that offers a humidity margin of up to 3% (when it is exposed to a controlled environment of 60 C for 1 hour), and a conductivity tolerance lesser than 1.8 mS/cm. In terms of its functional description, NutriCathe 15-10-30 is fertilizer capable of supplying nitrogen, phosphorus and potassium in sufficient and balanced quantities capable of promoting photosynthesis, the transport of sugars and the increase of the final crop yield, further improving the quality of the harvested products. Its use is indicated towards the end of the vegetative phase, flowering and fruit set, stages in which an adequate balance of nutrients is required.

Among the remaining 4 products, it can be listed NutriCathe Calcio-Boro. It is presented as a yellowish liquid fertilizer with conductivity tolerance lesser than 1.8 mS/cm. In terms of a

functional perspective, it can be defined as a concentrated fertilizer that provides nitrogen, calcium and boron for the proper nutrition of crops, horticultural, fruit and ornamental plants. Its use increases the growth and resistance of plants against unfavorable conditions, considerably improving the quality of harvested organs. Its formula is prescribed towards the end of the vegetative phase, flowering and fruit set, stages in which adequate availability of nitrogen, calcium and boron is required.

Additionally, the company offers NutriCathe Magniplus, presented as a whitish crystal fertilizer with similar technical specifications described for Nutricathe 9-40-9, which implies a humidity margin of up to 3% (when it is exposed to a controlled environment of 60 C for 1 hour), and a conductivity tolerance lesser than 1.8 mS/cm. As for its functional description, NutriCathe Magniplus is a fertilizer formulated as soluble crystals, which provides magnesium, sulfur and micronutrients in a perfect balance for the nutrition of cultivated plants. Its use is prescribed for all stages of crop development, mainly in the reproductive phase.

Within the company's catalog it is also included, CatheFoliar Plus. As well as It is presented NutriCathe Calcio-Boro, CatheFoliar Plus is a yellowish liquid fertilizer with conductivity tolerance lesser than 1.8 mS/cm. As for its functional description, CatheFoliar Plus is a concentrated fertilizer used in foliar sprays to complement the supply of essential nutrients in most crops. It contains a wide range of macro and micronutrients in a balanced way, allowing a high capacity for absorption and redistribution within the plant.

At the bottom of the list, it is CatheFoliar K. Cathefoliar K is a colorless liquid with conductivity tolerance lesser than 1.8 mS/cm. In terms of a functional perspective, Cathefoliar could be categorized as concentrated liquid fertilizer to be used in foliar sprays. It improves the photosynthetic capacity of the plant, the synthesis and transport of sugars, the formation of chlorophyll and increases the resistance of organs and tissues to adverse environmental conditions. It also promotes the efficiency of water use in the plant.

Having listed the current catalog the Company currently, it must be said that it doesn't imply that in the near future it may be added some new products, the company is considering as part of the continuous adaptation and improvements Company's mindset. Having listed the current catalog the Company currently, it must be said that it doesn't imply that in the near future it may

be added some new products, considered by Cathequim C.A. as a consequence of the philosophy embraced by the company mainly focused on the implementation of continuous improvements, seeking always better ways to stand out from the competition.

V.3.-Company Performance in the In-Home Market

To understand how the company's performance has evolved over the past two years, it would be interesting to break down sales and sales volumes for each of the products listed in the company's catalog. To do so, we will follow the order suggested in the previous section "Company Portfolio".

We will start with the product NutriCathe 9-40-9, which shows an exponential growth since 2018 with a total of 576 Bags (25 Kg per bag) to about 4295 Bags (25 Kg per bag) registered in 2018 which meant a volume differential between 2017 and 2018 of 3719 Bags. This trend has been clearly reflected in the total sales of the product NutriCathe 9-40-9, going from 60076.8 \$ (year 2018) to 447968.5 \$ which implied a sales differential of 387891.7 \$.

A very similar trend has been registered for NutriCathe 18-18-18 fertilizer, in which case it experienced an increase from 2018 with a total of 1819 Bags (25 Kg per bag) to about 8705 Bags (25 Kg per bag) registered in 2019 which meant a volume differential between 2018 and 2019 of 6886 Bags. This increase is clearly reflected in the sales comparison between 2018 and 2019 going from 326146.7 \$ to 1560806.5 \$ respectively which translates into a sales differential of 1234659.8 \$.

In the case of the NutriCathe 15-10-30 product, once again there was an increase in sales rates, very close to the examples shown above. When comparing the sales volumes for 2018 with a total of 1100 Bags (25 Kg per bag) and 2019 with an average of 3939 Bags (25 Kg per bag) we obtain that the difference in volumes is positive with a total of 2839 Bags. Due to the proportional relationship between sales volumes and total sales, a positive sales balance of \$102487.9 has been recorded extracted from the total sales difference for the years 2018 (\$39710) and 2019 (\$142197.9).

Now, for NutriCathe Calcium-Boron, the behavior is not different. The statistics for this product show an increase in sales volumes of 16184 Plastic containers (30 Liters per plastic

container) from the difference obtained between 2018 of 21987 Plastic containers (30 Liters per plastic container) and 2019 of 38171 Plastic containers (30 Liters per plastic container). The same occurs for the record of total sales in the last two years, with a total of \$ 1246662.9 for the year 2018 and \$ 2164295.7 for the year 2019, which implies a positive balance of \$ 917632.8.

The upward trend continues for the fifth product on the NutriCathe Magniplus list, with very favorable statistics in both sales volumes and total sales. When we refer to the sales volumes for the years 2018 and 2019 it can be observed that there is a notable difference between both time lapses; the values are 445 Bags (25 Kg per bag) and 1107 Bags (25 Kg per bag) respectively, which gives a total differential of 662 Bags. This implies a sales differential of 42765.2 \$ obtained from sales in 2018 (28747 \$) and 2019 (71512.2 \$).

For CatheFoliar Plus, it can be noted that the growth in sales volumes is even greater than in previous cases. For this particular scenario, the company recorded an increase of 3100 Plastic containers (30 Liters per plastic container) computed from the 2018 index (1810 Plastic containers) and the 2019 index (4910 Plastic containers). However, in the case of total sales, the difference recorded has been more moderate, with a total recorded of \$207080. Data obtained by computing the difference in total sales between the years considered (\$120908 for 2018 and \$327988 for 2019).

At the bottom of the list is CatheFoliar K. The trend shows a quite interesting increase, with a total of 1228 Plastic containers (30 Liters per plastic container) more than in 2019 when comparing the records obtained for 2018. With a total of 970 Plastic containers (30 Liters per plastic container) by 2018 and 2198 Plastic containers (30 Liters per plastic container) by 2019. In terms of total sales, we again see an increase of \$51821.6 obtained from the difference between total sales in 2018 of \$40934 and total sales in 2019 of \$92755.6.

From the above information, it can be concluded that the evolution of the company in these last 2 years has been quite favorable. This insight is clearly supported by the average growth rate in sales reflected in each of the products offered by Cathequim C.A. whose approximate value is 356%. What is more, this continuous improvement shown by the company could help to give an idea of how well designed, optimized are processes and how well organized and trained are the company's employees. That said, it is important to highlight that the potential offered by the

Venezuelan fertilizer market is currently being exploited, almost in its entirety. In order to continue recording a considerable increase in the company's performance in the near future, the board of directors has proposed the exploration and exploitation of foreign markets where supply is widely surpassed by demand. This scenario could be very beneficial Cathequim C.A. due to its high-quality standards as well as its good value for money.

V.4.-Company's raw material sources

The Nutricathe (fertilizer made of the Vinasse) was developed as a solution to the uncontrolled and wasted generation of Vinasse as residual material of the distillation process. Vinasse is a waste of the ethanol production process of C.A. Destilería de Yaracuy and what is more, before Nutricathe's conception, it (the Vinasse production) represented a serious environmental issue due to the fact that C.A. Destilería de Yaracuy didn't have adequate storage or disposal conditions, which represented a serious threat in terms of pollution levels. As the Vinasse represented a hazardous waste to be eliminated, Cathequim C.A. has taken advantage of the situation by agreeing with C.A. Destilería de Yaracuy an underrated price per ton of Vinasse, which along with the expertise of the highly trained staff, give the company the possibility to offer high quality products for a considerable low price.

Vinasse is an aqueous solution with a perfect balance of macronutrients (nitrogen, phosphorus, potassium, calcium, sulfur, magnesium) and micronutrients (zinc, manganese, iron, copper, etc.). This substance of organic origin is very useful for its power as a fertilizer for different crops. Cathequim C.A. transformed this "raw material" into a solid organic fertilizer by means of a drying system called "Spray Dryer". This process allows the subtraction of Vinasse, concentrating its nutrients, obtaining a high quality, compact fertilizer suitable for export, facilitating its transport.

It should be noted that on the one hand, Nutricathe, in its various presentations, contributes with all the macro and micronutrients in different quantities, but also it must be pointed out its competitive price, which is much more lower than similar formulas, comparing 450 \$ / MT for other formulas (average value of the prices for urea, chloride potassium, ammonium phosphate), in accordance to data provided by Nutrien, with 350 \$ / MT for similar derivatives from dehydrated Vinasse within the international market, nearly 20 % differential, which represents a great

differentiating advantage in terms of cost and nutrients contribution against many others sources of fertilizers, making it an excellent option for farmers, especially for South American ones.

It must be said that the Company has an outperformance not only in terms of overall structure/ infrastructure but also in human capital, processes and relevant experience that serve as strong foundations for projecting its image internationally.

CHAPTER VI

VI.-Analysis of potential markets

Within the boundaries of the study of potential markets, the situation of South America is analysed and, as established in the previous point, taking into consideration indicators which help to evaluate the economic, social and political stability, the current market situation and valid treaties and agreements among countries, will enable criteria to be established on the feasibility of developing the proposed strategy, without before taking into consideration the agricultural variables. During the investigation, it has been considered the fact that Cathequin C.A. has a specific attraction to the locality of Manaus, capital of Amazon State, Brazil. This was due to the fact that it is on the border with a neighbouring country with agricultural activity and of easy terrestrial access from/to Venezuela.

As reference, the existing situation in certain Latin-American countries is considered, because they offer specific conditions and are attractive for investment. This is the case of Chile, Colombia and Uruguay for their potential of development, geographic position and agricultural potential respectively, which are considered compulsory for analysis.

According to the publication issued in 2019 by the Instituto Americano de Cooperacion Agricola (IICA), the Red de Coordinacion de Políticas Agropecuarias (REDPA) and El Consejo Agropecuario del Sur (CAS.) referring to the regional situation of fertilizers, the usage of fertilizers by the members of (CAS) Argentina, Brazil, Bolivia, Chile, Paraguay and Uruguay, reach 10% of the world production, while their internal production of fertilizers does not exceed 4% . This 4% being phosphates, which are produced mainly in Brazil requiring a large amount of imported raw material to do so.

Moreover, Chile is the largest producer of potassium and nitrogen based fertilizers of the region according to data of 2019 given by Nutrien C.A. (key players at world level). This publication also claims that there are reserves to supply nitrogenous fertilizers and despite having 4% of the world reserves of potassium (1% Chile and 3% Brazil), agricultural growth in the area requires large quantities of this nutrient to be imported.

Brazil is the largest producer of sugar cane in the world, which in turn makes it the largest producer of ethanol and Vinasse. However, the majority of this production is in the south of the country, which is far from the principal market of Cathequim.C.A. being this market in Manaus. The Vinasse is used in southern Brazil to fertilize large extensions of crops, making it impossible for use in north Brazil.

Table 8 "Agricultural activities indexes of selected markets" shows the indicators of agricultural activity in the markets under study. According to the information given it can be noted that Brazil has the largest area for this purpose followed by Colombia, Chile and finally Uruguay. On the other hand, the usage of fertilizers is higher in Chile followed by Colombia, next Brazil and finally Uruguay.

Table No. 8

AGRICULTURAL ACTIVITIES INDEXES OF SELECTED MARKETS

Country	Surface designated to agricultural activities by 2019 (in thousands of hectares)	Fertilizers consumption in kg/ha designated to agricultural activities	% of surface designated to agricultural activities treated with organic techniques. % from the total country's surface
Brazil	264.000	31,8 de nitrogen, 41 de phosphorus y 34,9 de potassium	0,6
Colombia	42.540	163,3 de nitrogen, 60,9 de phosphorus y 40,1 de potassium	0,1
Chile	15.742	200,2 de nitrogen, 55,7 de phosphorus y 76,7 de potassium	0,5
Uruguay	14.807	55 de nitrogen, 51,3 de phosphorus y 1,5 de potassium	6,4

SOURCE: IICA (2019), REDPA- CAS (2019) & Nutrien and Knoema Corp (2019)

On the other hand Table 9 shows foreign investment in agricultural activities. Here it can be observed that from 2007 Brazil has led the list compared with Colombia, Chile and Uruguay.

Table No. 9

FOREIGN INVESTMENT ALLOCATED TO AGRICULTURAL ACTIVITIES IN SELECTED MARKETS

Country	Foreign investment allocated to agriculture, hunting, fishing and forestry for the period 2007-2008 in millions of \$	Foreign investment allocated to agriculture, hunting, fishing and forestry for the period 2018-2019 in millions of \$
Brazil	61	95
Colombia	14	19
Chile	6	10
Uruguay	1	3

SOURCE: World Bank (2019)

On comparing both variables (surface area and usage of fertilizers by hectares), it is possible to conclude that Brazil is the country with more openings for the use of organic fertilizers, which makes it an excellent arena for the company's products.

Between the years 2007 and 2019 there was a significant growth of direct foreign investment in the agricultural sectors in the areas of study. This increment attracted new industries of agricultural products to emerge, in order to satisfy the needs of these regions.

VI.1.-Analysis of political stability

In order to evaluate the political stability of the countries selected for this study, the analysis of various indicators is required. Some global indicators of 18 Latin-American countries (Latinobarómetro (2019)) including the weighting in each country in terms of politics, economy, health, environment, equality. Finally, the evaluation of freedom of press, voting, children's rights, governance, freedom of religion among others, were taken into account (Freedom house (2019)); All these will provide a clear view and will give the context for any company will to enter to these markets.

At the same time, the index of democratic development of Latin America is measured in order to establish basic democratic conditions, in terms of political and civil rights, institutional quality, political efficiency and the right to govern effectively.

Table 10 shows an analysis of a wide range of factors: political freedom, civil rights, institutional quality, political efficiency and the freedom of government to work. The main object of this configuration is to analyse and assess some countries with relation to others. These results are presented in the following Table.

Table No. 10

POLITICAL STABILITY INDEX OF SELECTED MARKETS

Country	Democratic development index	Democracy Ranking	Freedom House	Comments
Brazil	8	44/178	Free	According to the report of the democratic development index, Brazil follows an upward curve despite the fact that economic growth slowed and obtained its highest score since 2002. It has strengths in the execution of social plans but weaknesses in corruption and transparency as well as Although the GDP per capita has increased, the income gap is still high.
Chile	2	24/178	Free	Despite maintaining the best score on average, suffered a setback. The country had worse scores except in the economic subdivision, so it lost first place. It still has good macroeconomic indexes but when reviewing the GINI index (1), it is one of the most unequal countries in the region
Colombia	10	53/178	PF	It is located within countries with low democratic development. It has improved macroeconomic indices but has receded in indicators that assess the effectiveness of carrying out reforms. The country still has an important social debt since in issues such as infant mortality, public health expenditures and poverty level, there has been no great progress. It is considered a country with a risk of political instability. The country also has weaknesses in human rights and political freedoms.
Uruguay	1	21/178	Free	The country has always remained within the first three places of the DDI. It has obtained first place for advances in Institutional Quality and efficiency in the policies applied.

SOURCE: (Latinobarómetro (2019), Democracy Ranking (2019), Freedom House (2019). GINI: National income inequality's metric, Author: Corrado GINI.

On analysis of the surveys of Latinobarómetro it can be noted that the selected the countries show preference to democracy as a political system rather than other alternatives.

There would not be support for military rule although there is little or no trust in governmental state institutions. Consequently, there is evidence of a similarity of ideology with a

tendency towards freedom of choice which can be inferred that there is low risk of political unrest, which would affect or discourage a company's involvement.

In the case of Freedom House, all selected countries can be considered Free (F) except Colombia, which is, catalogued as Partially Free (PF). The latter could be unfavourable but not excluding within the group.

VI.2.-Analysis of economic and social stability

The economic and social indicators are depicted in table 11. The data shown demonstrates that Chile has the best indicators in this these fields of the study.

According to economic freedom indexes published by Heritage Foundation. The principle economic indicators are:

Table No. 11

ECONOMICAL AND SOCIAL STABILITY INDEXES OF SELECTED MARKETS

Country	RULE OF LAW		GOVERNMENT SIZE		REGULATORY EFFICIENCY			OPEN MARKETS		
	Property rights	Judicial Effectiveness	Fiscal Health	Government spending	Business freedom	Labor freedom	Monetary freedom	Trade freedom	Investment	Financial freedom
Brazil	57,3%	51,7%	59%	55,2%	57,9%	51,9%	70,5%	69,0%	50%	60%
Chile	68,7%	60,3%	89,0%	81,0%	76,6%	65,0%	84,5%	88,8%	85,0%	70,0%
Col	59,2%	34,3%	79,0%	75,0%	71,4%	78,5%	75,6%	76,0%	80,0%	70,0%
Uru	68,3%	58,9%	69,9%	67,5%	74,3%	71,9%	72,9%	78,6%	85,0%	30%

SOURCE: The Heritage Foundation (2019)

In table 12 the macroeconomic indexes of the markets studied is shown. Here it can be noted that although Brazil has the highest GDP of the 4 markets, Chile has the highest internal income per capita. What is more, this latter position has been maintained over the last 5 years and is predicted to increase. The data is presented as follows:

Table No. 12**MACRO ECONOMIC DATA OF SELECTED MARKETS**

Country	Population (Millions)	GDP (Billions, PPP)	GDP Growth Rate (%)	5years Growth (%)	GDP Rate	GDP per Capita (PPP)	Unemployment (%)	Inflation (%)	FDI inflow + (Millions)	Public debt (% of GDP)
Brazil	207,7	\$3.200	1	0,5		\$15.603	13,3	4,4	\$62.700	68,5
Chile	18,4	\$451,0	4,5	2,2		\$24.537	7	2,2	\$16.700	11,2
Col	49,3	\$714,0	1,8	3,2		\$14.485	8,9	4,3	\$14.500	32,8
Uru	3,5	\$78,1	3,1	3,6		\$22.371	7,9	6,2	\$124,1	53,7

SOURCE: The Heritage Foundation (2019). GDP: Gross Domestic Product. FDI: Foreign Direct Investment.

Chile is favoured due to freedom of investment, financial independence and business management as well as legal stability, all of which make it attractive for investors and new businesses.

The trend shown by Chile, Colombia, Brazil and Uruguay makes it clear that Chile has to be spotted as the first among these geographies. Having said that, an eye should be kept on Colombia ,which must be placed second due to the overall large improvements backed by several important statistics gathered over the last few years, displayed not only in terms of business freedom but also in the financial environment that makes Colombia an interesting case study.

The notable difference between Chile and Brazil is because Chile outweighs its Brazilian counterpart in specific aspects such as: judicial effectiveness and government spending

In order to elaborate table 13, indicators such as freedom to exchange from local to foreign currency and vice versa, trade freedom, workforce freedom, freedom of property, just to name a few, are included. Chile is placed ahead of the countries under study as shown. (In a relation of ranking of 178 countries.

Table No. 13**LISTED POSITIONS FOR SELECTED MARKETS**

Country	Brazil	Chile	Colombia	Uruguay
Position	150/178	18/178	49/178	40/178

SOURCE: The Heritage Foundation (2019)

On the other hand, it is crystal clear that Brazil has the largest economy among the rest of the four countries considered, although Uruguay is the country which has had an increase in growth

over the last 5 years, followed by Colombia. Uruguay has a Debt/GDP ratio higher than the rest of the countries, thus maintaining a small economy in terms of GDP. Inflation in the countries under analysis is of one digit and unemployment remains higher in Brazil.

These economies, as others of the region have shown a good performance over the past few years. Brazil is profiled as one of the largest economies worldwide, in fact, it is part of the BRICS (acronym: Brazil Russia, India, China, South Africa) group. These according to the private banking sector, will constitute the dominating economies worldwide in the following decades. Chile, on the other hand, is the most developed country of South America and Colombia has improved in economic performance.

In order to evaluate the question of if the good outcome of these economic results could be translated into better social aspects, the analysis of human development and index of prosperity was used as referred to by the Legatum Institute in the Legatum Prosperity Index 2019.

Table 14 includes social indexes of the markets studied. Once more Chile highlights as having an IDH of 0.819 occupying position 28.

Table No. 14
SOCIAL INDEXES OF SELECTED MARKETS

Country	Brazil	Chile	Colombia	Uruguay
Position	65/149	28/149	67/149	30/149
HDI	0.73/1	0.819/1	0.719/1	0.792/1

SOURCE: Legatum Institute (2019). HDI (Human Development index)

As discussed previously in the index of human development and prosperity Chile shows higher values, even though Brazil has shown improvements due to social policies carried out in the last 2 terms of office. On the other hand, in equality issues Colombia and Brazil (67th and 65th position respectively being apart from Chile and Uruguay (28th and 30th positions respectively).

The indicators of poverty and inequality are indicators in the social aspect. Inequality is a factor of instability and according to statistics from the World Bank in its website, the figures show high values for the years 2017, 2018 and 2019 for all countries of this study (over 50%).

At the same time , regarding poverty, the number of people below the poverty line of \$2 daily, for the year 2017 is very low for Uruguay (0.32%), Chile (1.16%), higher for Brazil (5.4%)

and finally Colombia (6.79%) being this final figure given, reaching 8.18% for the year 2019. However, it is observed that the countries under study are expected to improve progressively.

It can be observed that Brazil, Chile, Uruguay and Colombia have improved their economies on applying correct policies. However, there remain sources of political instability such as poverty in Brazil and Colombia, violence in Colombia and equality in Chile, Brazil and Colombia.

VI.3.-Analysis of the business environment

In order to evaluate the business environment, the analysis of the business regulations of the different countries in this study will be considered, using data taken from the World Bank and of the publication Doing Business (2019)

Table 15 depicts the data related to the business environment of the markets in this study. Supported by the matrix it can be seen that according to the publication referred above, that even though Brazil is placed at the bottom in the 109th position, it's performed considerably well in terms of in doing business across borders, keeping the second highest position within the pool of the 4 countries. This constitutes a fundamental aspect for the importation in the Manaus region. It also surpasses the rest of the countries in regard to enforcing contracts and investment.

Table No. 15

BUSINESS ENVIRONMENT OF SELECTED MARKETS

Economy	Easy of doing business Ranking	Starting a business	Dealing with permits	Obtaining electricity	Registering property	Getting credit	Paying taxes	Trading across borders	Enforcing contracts and investment	Solving Insolvency
Chile	56/190	89.9%	75.9%	85.6%	70.9%	55.0%	75.2%	80.5%	65.7%	59.9%
Colombia	65/190	85.3%	68.7%	75.7%	71.2%	95.0%	57.8%	61.8%	34.2%	67.4%
Uruguay	95/190	89.7%	56.4%	82.1%	57.5%	60.0%	70.3%	57.1%	56.2%	52.9%
Brazil	109/190	80.2%	49.8%	84.3%	51.9%	50.0%	34.4%	69.8%	66.0%	48.4%

SOURCE: Doing Business (2019)

On analysis of these indicators shown in the previous table together with indicators of the index of economic freedom given previously it can be noted coincidence between the relative positions related to the ease of doing business and economic freedom.

Chile followed by Colombia, offer more freedom to do business, generally speaking

VI.4.-Analysis of international treaties

In order to analyse the international treaties as well as the imports/exports policies, the following table is shown where the Venezuela agreements of commercial integration with the countries selected for the study are listed . The information shown was extracted from the web site of the “Asociación latinoamericana de Integración” (ALADI)

In table 16 "International treaties for selected markets" ALADI (2019), the different international treaties of the possible markets of destination are reflected (Brazil, Chile, Colombia and Uruguay).

Table No. 16
INTERNATIONAL TREATIES FOR SELECTED MARKETS

Brazil	Chile	Colombia	Uruguay
Mercosur (Mercado común del Sur)	Economic completion treaty AAP.CE No. 23	Partial scope treaty of commercial nature between the Republic of Colombia and the Bolivarian Republic of Venezuela	Mercosur (Mercado común del Sur)
	Economic completion treaty Chile-Mercosur	Economic completion treaty No. 23	
		Preferential Tariff Treatment Agreement	

SOURCE: ALADI (2019)

For the revision of the data the classification code for customs duties (SA) that applies to the product (fertilizers) that the company, Cathequim C.A. wishes to export. The code is 31010000 (fertilizers of animal, chemically treated vegetable/sources).

In the following table "Tariff classification of selected markets" ALADI (2019), it is reflected the tariff valid for each country. By checking the information disclosed in the table, there is no doubt that the same tariff is less in Uruguay and Brazil, although these are not exempt, as one would believe being part of Mercosur.

In the table 17, it is detailed the tariff classification for each of market considered within the analysis

Table No. 17

TARIFF CLASIFICACION OF SELECTED MARKETS

Country	Tariff Item	Description	Ad-Valorem Tax
Brazil	31010000	Import Tariff	4.00%
Colombia	3101009000	Custom Duties-Ad Valorem	5.00%
Chile	31010000	Tariff assessment	6.00%
Uruguay	3101000000	Global tariff rate (GTR)	4.00%

SOURCE: ALADI (2019)

So far, it has been analyzed the overall external and internal situation that is faced by Cathequim C.A. nowadays. Additionally it has been performed a deep analysis in which it has be included most of the key aspect to be taken into account for a company willing to start operations in any of the four Latin-American countries considered for the master's project. That said, it would be recommended to perform further analysis comprising additional analysis/comparisons between the Venezuelan market and those of the rest of the countries listed before. All the information exposed above will be used to generate a SWOT analysis with an holistic scope.

CHAPTER VII

VII.-Analysis of results

It is important to bear in mind that this information must be presented in a clear and specific manner for each of the analytical stages defined in the previous chapter (diagnosis of both external and internal situations, analysis of potential markets and entry modes), avoiding subjective interpretations, distant or different from reality, since, this is master project, hence with purely scientific nature, therefore its essence must keep the objectivity of the data shown.

Entering fully the report of the results obtained, it is worth noting that we will follow the same order previously shown.

VII.1.-SWOT Analysis

The SWOT analysis will be presented below. It is the product of the synthesis gotten from several analysis. For its elaboration, it was taken into consideration both internal and external analysis, the analysis of potential markets as well as the information collected form one-on-one interviews with three of the main representatives of the Company: The General Operations Manager, the Production Manager and the Marketing Manager, conducted in August 2019. Our three interviewees agree that the table presented below reflects all the key strengths and weaknesses, as well as the main threats and opportunities of Cathequim C.A.

Apart from this, local information sources specialized in the economic / financial fields, such as Veneconomía, were consulted for complementary information.

Table No. 18
SWOT MATRIX

STRENGTHS	OPPORTUNITIES
1) Efficient organizational processes. 2) Highly trained and committed human talent. 3) Corporate image with exponential development. 4) Raw material and sub-valued labor in contrast to the international scope.	1) Relevant percentage of the agricultural sector of the neighboring markets unassisted by sub-supply. 2) Low brand loyalty on behalf of foreign consumers. 3) Development of new formulas for fertilizer, both more efficient and cheaper.
WEAKNESSES	THREATS
1) Difficulty in attracting trained human capital. 2) Cash flow deficit due to some repetitive delays in payments of certain clients. 3) Notorious difficulty in obtaining permission to export, due to cumbersome bureaucratic procedures.	1) Possible aggressive response by existing firms in the target market, by 3 possible approaches: Differentiation by product, service or price. 2) High probability of talent leakage. 3) Continuous increases in wages. 4) High inflation internal rates. 5) Heavy regulations by the national government.

SOURCE: The Author (2019)

The SWOT analysis allows us to land the most important aspects to consider, in terms of both internal and external advantages and disadvantages. This table represents an important support, because it allows the company to determine which aspects should be strengthened, which should be reinforced, and which others require a partial or total reform. It is important that the company sets attainable goals for continuous improvement and verification deadlines. It is at this point that this kind of tools becomes more important, since it focuses on the key elements and focuses the effort on the gradual improvement of these.

Once the SWOT matrix has been set, it is necessary to go deeper into the "SWOT Strategies", understood as the correlation between each one of the different variables that play important roles within the system.

VII.1.1.-Analysis of Internal Factors through the Internal Factors Assessment Matrix (IFA)

In order to assess and weigh internal factors of the company, it has been proposed a matrix of Internal Factor Evaluation. In this way, it is introduced a way to encode the qualitative information to convert it into quantitative information, easy to measure and compare objectively.

By using this methodology, it is possible to establish a straight connection between the company's internal and the outcome to be achieved into the selected market. The information shown below was collected from interviews conducted with the line managers and the general manager.

Table 19 is shown with the IFA matrix, the analysis of the internal factors in the interview sessions.

Table No. 19
INTERNAL FACTORS ASSESSMENT MATRIX

STRENGTHS	WEIGHT	EVALUATION	PONDERED WEIGHT
Efficient organizational processes. S1	0.15	3	0.45
Highly talented, committed and trained personnel.S2	0.15	4	0.6
Corporate image with exponential projections. S3	0.10	3	0.3
Raw material prices and salaries underrated in comparison to international standards.S4	0.20	4	0.80
WEAKNESSES	WEIGHT	EVALUATION	PONDERED WEIGHT
A lot of difficulties for trained human capital's catchment and retention. W1	0.10	2	0.2
Cash flow Deficit cash-flow due to delayed payments from certain clientsW2.	0.20	1	0.2
Notorious difficulty when trying to obtain export permissions, because of all the bureaucratic barriers imposed on these sort of procedures W3	0.10	1	0.1
TOTAL	1,00		2.65

SOURCE: The Author (2019)

Based on what is proposed by Ponce Talacon (2006), the theory that provides scientific background to this matrix, establishes that for grand totals greater than 2.5, it is considered that the company has a strong internal position, while results under 2.5 show an organization with important weaknesses that overshadow positive aspects. Following these standards, the company under study is solid from an internal point of view, and it can be seen, considering the total pondered of 2.65 units.

Now, as the organization grows, we look for that number to go up, so we must not lose sight of the continuous improvement, understood as the gradual process that could allow

Cathequim C.A. to be categorized as a leading company not only at a local market level, but also at an international level.

VII.1.2.-Analysis of External Factors through the External Factors Assessment Matrix (EFA)

Once the internal situation of the company has been properly measured, assigning values according to priorities established by the organization, it is time to analyze and weigh external factors that directly affect it. To this end, an external factors assessment matrix was generated.

With this tool, it can establish how is the company been doing against the market. From the definition of positioning, it can be defined a series of strategies that seek to get the most benefit possible, leveraging opportunities considering the internal situation and its strengths. Table 20 is shown with the EFE matrix, derived from the analysis of the external factors obtained during the interview sessions.

Table No. 20

EXTERNAL FACTORS ASSESSMENT MATRIX

OPPORTUNITIES	WEIGHT	EVALUATION	PONDERED WEIGHT
Relevant percentage of the agricultural sector of the neighboring markets unassisted. O1	0.15	4	0.6
Low brand loyalty on behalf of foreign consumers. O2	0.20	4	0.8
Development of new formulas for fertilizer, more efficient and economical. O3	0.10	3	0.3
THREATS	WEIGHT	EVALUATION	PONDERED WEIGHT
High inflation internal rate. T1	0.15	1	0.15
High probability of talent flight T2	0.05	3	0.15
Continuous increases in wages. T3	0.10	2	0.2
Strong constraints by the national government. T4	0.10	2	0.2
Possible aggressive response by the existing firms in the target market before the entry of new competition, through 3 possible approaches: Differentiation by product, service or price. T5	0.15	1	0.15
TOTAL	1,00		2,55

SOURCE: The Author (2019)

Taking the upper (4) and lower (1) limits as a reference, the result obtained suggests that Cathequim C.A. competes in an attractive branch and has a considerable amount of external opportunities that could be used for leveraging the company's position. According to Ponce Talacon (2006) the average result of the EFA matrix is around 2.5, which confirms the advantages Cathequim C. A. holds from this perspective.

VII.2.-SWOT Strategies

In order to organize procedures attained from the SWOT matrix, it is very useful to consider a set of four questions that will serve as a guide for this outcome.

How my strengths allow me to take advantage of opportunities? (SO)

How my strengths allow me to minimize threats? (ST)

To what extent do my weaknesses constrain me from taking advantages of opportunities? (WO)

In what way my weaknesses maximize the effects of threats? (WT)

List of SWOT Strategies

Strengths/opportunities SO

1. Ensure efficient, in-house organisational procedures to allow Cathequim C.A. company the opportunity to optimise and/or penetrate into the local markets in such a way to be able to offer fertilizers of great quality at a competitive price. S1,O3
2. Enhance key aspects such as, productivity and efficiency, into the procedures and tasks counting on the highly qualified human talent and involving a selection of measures such as the introduction of internal policies based on meritocracy. S2,O3
3. Take advantage favourably of the low level of brand loyalty of the foreign consumer in order to maximise growth of the corporate image. S3,O2
4. Encourage production increase by taking advantage of the availability of raw material and the underpaid work force in contrast to international markets, these factors will make possible to offer high quality products at low cost. S4, O1, O3

Strengths and Threats. ST

1. Increasingly improve more and more the organisational procedures in order to handle key aspects such as, aggressive action from competition, continual salary increases, elevated internal inflation indexes etc.S1,T2,T3,T5
2. Continue to generate the aspect of belonging and loyalty from the employees of the company, including their values and perception. Hence reducing the probability of loss through flight of talent. S2,A2
3. Strengthen the corporate image that has been achieved in order to face more objectively, and balanced, the local policies of the foreign markets. S3,T5
4. Increase even more, the company's profit margin by taking into account the quality of the workforce and the undercut cost of raw material. In order to achieve this find ways to manage increases of salaries (reasonable considerations) without sacrificing sales profit margins. S4,T4
5. Promote advantages such as underpaid workforce in the international arena, tremendous volume of national reserves of raw material etc. This provides the company the opportunity to obtain advantageous and profitable commercial margins. These are important when competing at the same level as the companies which are already established in the market, in case these companies decide to adopt the policies which differentiate in price or product. S4,A3

Weaknesses / Opportunities WO

1. Apply policies and incentives from the aspect of remuneration, in order to attract those employees who are valuable but demotivated because of the economic situation-. Hence, enabling the company to count on a capable team of workers who are willing to develop and work on new alternatives (cheaper and more efficient products). W1,O3
2. Take the opportunity to supply the neighbouring markets. Consequently receiving foreign currency which could be of importance for protecting the company from the deficit of cash flow caused by the debts of national clients. W2,O1
3. Improve administrative logistic procedures, in order to counteract the specific difficulties in obtaining exportation permissions. As a result, achieving immediate action to requests

from the market of destination. This would create respect and recognition within markets as being reliable and serviceable. W3,O1

Weaknesses / Threats WT

1. Apply motivational programmes for employees in order to confront the increasing tendency of the flight of talent from Venezuela to foreign countries. This factor may become critical and hamper the recruitment area due to the lack of suitable applicants for jobs. W1,T2
2. Increase the effectiveness of the recruitment process by increasing the factors of the selection methodology. This could combat the excessive governmental protection of the workforce, which only creates obstacles in the process of recruitment and does not permit the employment of competent employees. W1,T4
3. Administer new collection policies which will face clients who have debt arrears. As a result placating problems of cash flow in order to be one step ahead of the internal inflation index. W2,T1
4. Implement actions which counteract the notorious difficulties in obtaining exportation licence. This could cause an aggressive reaction on behalf of the competition causing premature exit from the market. W3,T5

From the former information and its analysis, it can be deducted that Cathequim C.A., certainly shows an internal positive balance in favour of Internationalisation. In addition it is supported by the evidence of counting on an abundance of national raw material, structured and practised procedures, qualified and committed employees and, finally, conditions of the country which allow them to offer a good quality product at a competitive price abroad.

VII.3.-Multi-criteria Analysis

Once we have separately exposed and developed each of the different factors that directly and indirectly influence Cathequim's internationalization decision, it is necessary to propose a multi-criteria analysis in which not only the external and internal position of the company will be taken into account, but also the panorama presented by each of the countries considered for the company's expansion process as well as some of the strategies generated from the SWOT analysis.

To develop the multi-criteria analysis we will follow the workflow in which the economic, political, social and cultural arguments were presented in the previous chapters. To begin with, it is convenient to compare the political panorama for the in-home market (Venezuela) with the political situation presented by Chile, Colombia, Brazil and Uruguay.

If we compare the data exposed in chapter IV we can see that Venezuela shows a very notorious disadvantage in relation to the other 4 countries. Beginning with the fact that it occupies the lowest position in the ranking provided by Democracy Ranking. Venezuela was listed 127/178 while the other countries show a healthier position, with Colombia occupying the position 53/178, Brazil 44/178, Chile 24/178 and the best ranked Uruguay 21/178. As mentioned above, corruption, bureaucracy and the lack of a stable political framework impede free trade in the local market, jeopardizing the companies that operate in Venezuela. Due to the unfortunate Venezuelan reality, the country is considered as Not Free. On the contrary, three of the remaining four countries (Uruguay, Chile and Brazil) present a totally opposite situation, where the democratic state and the presence of well-defined political frameworks encourage commercial stability.

That said, it is important to mention that Venezuela's political instability has served to strengthen the principles of Cathequim's organizational improvements that have been used to plan and design strategies based on concept of continuous improvement to face adverse situations (sudden salary increases, elevated internal inflation indexes, etc.). These good practice are very useful in the local market and will surely be useful in foreign markets as well.

The unfavorable trend shown by Venezuela in political matters does not vary when referring to economic stability. As it is expected, the country shows a very poor economic regulatory efficiency, with KPI well below the average. Aspects as relevant as the GDP Growth rate and the 5 years GDP Growth rate are presented with negative values (-24%) and (-45%) respectively, in addition, KPIs such as the percentage of inflation have surpassed historical barriers, reaching values above 3000 %, not to mention indicators related to the unemployment rate close to 60%. That is why it is understandable that statistics such as the percentage of new investment is null (as reflected in table 2) and that the financial freedom KPI is close to 10%, according to the data provided by The Heritage Foundation.

When it comes to analyze the rest of the countries, the situation is much more encouraging. Chile leads the table with statistics of GDP Growth Rate much above the average, but also with inflation and unemployment rates lower than the rest of contenders. However, it would be recommended to keep Brazil on the hook, since its performance in regards to GDP's performance is incredibly relevant, significantly higher than the rest of the countries (3,200 Billions \$). This represents almost 4 times the Colombia's GDP (714 Billions \$) which stands for being the second largest in the list.

However, once again, the precarious situation in Venezuela has allowed the formulation of strategies that have helped to strengthen the company. It is true that the local economy has been impacted, in such a negative way the overall national business sector, however, Cathequim C.A. has learned how to use certain aspects such as the availability of highly skilled labor force, professional training programs and good quality raw material sources locally offered below international rates, in order to boost its value proposition at low cost. This is a differentiating factor that holds great potential; Cathequim C.A. must ensure to take full advantage of it in order to maximize the opportunity of generating a positive impact on the foreign market. Given the importance of the advantage that this situation represents for the company, it has been included as a SWOT strategy to be taken into account and exploited.

Following the order in which the indicators were presented in previous chapters, we will continue this multi-criteria analysis by measuring and evaluating how distant and different is the social framework in Venezuela in comparison to the rest of the countries considered within this research project.

Undoubtedly, political and economic factors directly and indirectly affect and define the social framework of a country. Therefore, considering the above and given political and economic instability in Venezuela, we wouldn't be wrong if it is assumed that the social stability has been compromised over the last few years. As it was pointed out at the time, Venezuela is going through very harsh times, and the behavior of its society is a reflection of this. This is confirmed by information gathered from sources such as the Legatum Institute, BBC news, etc., where it was obtained that Venezuela was catalogued as one of the most jeopardized countries, therefore listed as so (position 126/149 and an HDI of 0.53/1). This is a mere consequence of the criticality of aspects such as the public health system, the poor levels of safety and security and

the shortage of food and medicine. According to the analysis presented before, Venezuela is ranked below countries that theoretically hold more disadvantages historically speaking (Trinidad & Tobago, Suriname, Vietnam, etc.).

In the case of Brazil and Colombia the situation is considerably better. In both cases the position they occupy is very close to the middle point of the list, the former two places above middle line (67/149 and an HDI of 0.719/1) and the latter just in the middle of the list (65/149 and an HDI of 0.73/1). Even though they have not been catalogued as the countries with the best performance in this field, it should be noted that they hold a significant advantage in comparison with Venezuela.

On the other side of the fence, there are Chile and Uruguay, with an outstanding performance within the list. Uruguay is positioned as one of the countries with the greatest social development in the Ranking (30/149 and an HDI of 0.792/1) and Chile two places lower hence very close but at the same time greater than Uruguay (28/149 and 0.819/1). There is no doubt that, social investment and public expenditure are considered principles for these two nations. They have a very organized/implemented social security and public health system, high standards of school and university education as well as a well implemented safety and security system, which provides quite favorable social stability generally overall.

Finally, after making the comparison between the 5 countries (Venezuela, Colombia, Chile, Uruguay and Brazil), on three of the pillars that define, influence and impact the overall stability of a country (politics, economics and social framework), it would be appropriate to apply this same analysis on the business and legal frameworks.

Once again, we will begin by describing the local situation (Venezuela) in order to have frame of reference for the rest of the geographies. As we have stated on multiple occasions, instability due to phenomena such as corruption, hyperinflation, the cutting of budgets in public spending, etc., interfere in a wide range of productive fields and initiatives, mainly in all those processes inherent to the consolidation of new businesses and the expansion of industries. The above idea is supported by the information presented by the source Doing Business, included in table 6. It is not a surprise for anyone, especially for investors, that Venezuela occupies the third worst position in the Easy of doing business Ranking (188/190) only being surpassed by the

African countries Eritrea and Somalia, in that order. The rest of the indicators included in the table serve as an extension to understand in more detail the great adversities that an entrepreneur must face when considering starting a business in Venezuela. It is understandable that the country presents such deficient statistics in aspects as Starting a business (25%), Obtaining access to primary services such as electricity/water (39%) as well as financial services and/or products i.e. credits, loans, to mention some (40%).

For the rest of the countries, the situation changes radically. Although it is true that Chile and Colombia are the two best positioned countries within the Ranking (56/190) and (65/190) respectively, given the easy to start a new businesses, manage permits necessary to meet the requirements imposed by law, or registering property, there are other areas where Brazil and Uruguay stand out for the ease of trading across borders, enforcing contracts and investments or flexibility for the imposition of taxes, to give some examples.

That is why when analyzing the set of potential destinations, we could not identify any as a clear winner. The four countries present themselves as strong candidates and none could be discarded before developing this multi-criteria analysis.

Given that the parity between the advantages offered by each of the countries considered for the analysis, that actually is very notorious, we will appeal to the development of a complementary analysis based on the competitiveness of the type of product offered by Cathequim C.A. in these 4 foreign markets.

VII.3.1.-Competitiveness Analysis

In order to analyse the competitiveness of the product in the market of destination, tools provided by Knoema Corp were implemented.

The following table "Competitiveness of the product in the foreign markets" Knoema Corp, (2019) provides the data of the competitiveness of products in the markets under study.

Table. 21**COMPETITIVENESS OF THE PRODUCT IN THE FOREIGN MARKETS**

Country	Fertilizer imports (Tones)2018/2017	Fertilizer exports (Tones) 2018/2017	Imports growth rate	Exports growth rate
Brazil	3.958.012 / 2.849.775	18.123/17.002	38 %	6.5%
Chile	623.708/552.071	236/69	13%	242%
Colombia	586.743/ 519.656	1.384/ 773	13%	79%
Uruguay	285.383/ 165.988	1.179/750	71%	57%

SOURCE: Knoema Corp (2019)

In summary, although Brazil and Colombia have been ranked very favourably and thus the product is very dynamic, there are, however, specific reasons why the place for an outsider (non-national products) in those markets has been shrunk (reasons like nationalism, among others), thus the efficiency is catalogued as low.

In the case of Chile, the consumption of fertilizers products is considerably less than what we can see in Brazil and Colombia however, in this particular market, local producers tend to be displaced by foreign brands.

Even though Uruguay has shown a significant import rate's increase (71%), total volumes cannot be compared to what Brazil and Colombia currently show.

Thus in this way, it can be deduced that there is not a displacement of competition. Consequently, it can be said that there is not an optimal situation of competition of the product in any of the selected countries. Nevertheless, the product remains in a favourable position in Brazil and Colombia, and in the case of Uruguay, the country maintains a dynamic growth imports rate yet volumes are out of order of magnitude.

Following this sequence of ideas, it can be highlighted that Brazil is the main importer of fertilizers of organic (vegetable) origin and Colombia is increasing imports favourably. Concerning current competition, there are no exports of this sort of item from Venezuela to Brazil nor Colombia, being an opportunity which should not be ignored.

All in all, it can be sad that Brazil holds the advantage in many matters, hence it could be the company's first choice. In case that Cathequim C.A. would be forced to dismiss the option of

expanding operations to Brazil, for unpredictable reasons, Colombia could replace Brazil. Although the Colombian economy does not hold Brazil's potential, we must keep in mind that this country also has an economy strongly rooted in agricultural production, in fact, Colombia is considered one of the most important producers of coffee worldwide. On the other hand, the factor of geographical proximity is also present since Colombia and Venezuela are neighbouring countries, so Cathequim C.A. could also benefit from the same advantages that Brazil offers in this regard.

Finally, in the hypothetical case that Cathequim C.A. could not establish commercial relations with the Colombian market either, for external and/or uncontrolled reasons, Chile could be the third in the list, due to the advantages of political and economic stability that the country offers as well as its market's openness to foreign brands, to serve the local agricultural market, internationally known for its grapes and wines.

VII.4.-Positioning

After carrying out a detailed analysis based on the comparison of the advantages and disadvantages that each country can offer to a company like Cathequim C.A., whose desire is to achieve the opportunity of international expansion with the greatest potential, it has been confirmed that the four countries present themselves as strong candidates that could offer great alternatives towards an international expansion, due to the fact that their markets hold unique characteristics that offer easy in multiple and diverse aspects.

Having said this, we must stick to the final objective of the project, which is why it is necessary to determine that strategic destination that could benefit Cathequim C.A. the most. Following this order of ideas, the country that could offer more benefits to Cathequim C.A. is Brazil. This country represents the biggest economic power of South America due to the magnitude of its geographical extension and its population. We must not forget that agriculture is one of its strengths, a point that favours Cathequim C.A. due to the high demand for fertilizers needed to suffice the demand of this sector. Additionally, we must remember that the flexibility of the legal framework in the matter of taxes makes Brazil a very good target market. On the other hand, the geographical proximity between Venezuela and Brazil plays a fundamental role in the commercial activity between these two countries. The fact that they are neighbouring countries is positively relevant because it helps to reduce logistic costs linked to transportation and storage and at the

same time provides easy for the supply of products under almost immediate demand. On this matter, Cathequim is particularly interested in Manaus, located in the northern area of Brazil because of its intense agricultural activities, its proximity and its similar environmental conditions to Venezuela.

Due to the kind of products Cathequim sells, it has the capability to fulfil every need of any sort of potential customer within the agricultural field. The company will present its proposal as an extremely well-balanced quality-price product. This will give chance to reach all levels of the market.

VII.5.-Entry mode strategies into new markets

The entry mode strategy is the way in which the company decides to enter a certain market. In the literature there are different definitions and segmentations, the chosen one was selected because of its simplicity and its way to address the main ways of entering to existing markets.

Hill, C.W.L (2007) classifies six entry modes to access a new market: Export, "Turnkey" Project, Licenses, Franchises, International Joint-Ventures, Wholly owned Subsidiaries.

Table No. 22

ENTRY STRATEGIES TO NEW MARKETS, ADVANTAGES AND DISADVANTAGES

Entry strategy	Advantages	Disadvantages
Export	-Economies of Scale. -Broader Scope with Low investment cost. -Relatively easy administration. -Low risk.	-High logistic costs, mainly transportation. -Entry barriers (taxation, customs policies, etc.). -Low autonomy, relevant dependency on the middleman. -Little understanding of the market
Turnkey projects	-No waiting time, easy to start right after it is delivered. -No concern about labor strikes, during the project execution. -Low risk.	-Encourages the release of new products, direct and indirect competitors. -Little benefits in the long run.
Licenses	-Medium Cost. -Little marketing efforts (global recognition and approval) -Less or non-entry barrier to access new markets. -Units strongly backed up by parent organizations.	-No economies of scale. -Limited independence in terms of control and coordination strategies. -Considerable investment.
Franchises	-Idem to Licenses.	-Low net profit margins.

	-Low risk involved	-Poor autonomy for the franchisee. -Considerable investment.
Joint-Venture	-Wide access to partner's knowledge-experience. -Cost, investments and risks shared equally by the partners. -Sometimes encouraged and supported by governments. -Good profit margins.	-Split interests. -Existing conflicts between partners, due to different perspectives, objectives, visions, values, etc. -Relevant administration and coordination costs. -Very Risky. -Important investment
Wholly owned	-Close operational control over subsidiaries. -Global strategic coordination. -Economies of scope. -Economies of scale. -Very convenient profit margins. -Standardization of the quality provided. -Accurate understanding of the foreign market	- Extremely relevant initial investment. -The riskiest of the entry modes. -Only recommended for big enterprises. -High implementation cost.

SOURCE: Hill, C.W.L. (2007)

Once it was defined the different approaches for a company to enter a new market, along with their advantages and disadvantages, it's time to define which of them could suit the most, given the current company's situation, taking into account its potential and opportunities without leaving aside its own weaknesses and external threats. For this purpose, we will discard some methodologies in order to narrow the list to those from which Cathequim. C.A. could take advantage the most. It is important to bear in mind the fact that this is first time Cathequim C.A. is considering approaching a foreign market, hence is not will to play hard from the beginning.

Having said that, it will be used table 22 “Strategies of entry into new markets. Advantages and disadvantages “as the framework to be used, which summarises directly and effectively each one of the alternatives available related to the process of internationalisation.

As it was stated before, Cathequim C.A, has little background regarding going abroad to enter new markets, however the board is aware that a mistake could cause huge negative impacts that could compromise the stability of the company. Being over wary is common and understandable for new player, that is why, it will be taken out of the hook the riskiest of the options the Wholly investment.

From the remaining 5 options proposals, 2 were preselected based on their impact, scope and potential. The first is the joint investment also called Joint-Venture, understood as a

commitment that can or not be shared between 2 or more companies, that can or not share the nature of items that each one exploits, in order to do a different business to those who work separately.

Now, although these activities differ they complement each other, in a way that the group created can see itself benefitted by the competitive advantage for each company, and this is where the proposal become attractive, since the company in question could find a Brazilian counterpart capable of providing the necessary contacts and channels of distribution required to commercialise the product in exchange of knowledge (know-how).

Principally the strategy seems favourable as it could be seen as a win-win situation, however much could be at stake. In the first place, the company could lose their autonomy, delegating certain key decisions in hands of a partner who maybe has different concepts of the objectives, strategies and in accordance with the values of the assignment and the views of his company. On the other hand, a proposal such as this could mean high administrative costs and a high level of coordination so the initial attractiveness is lost.

The second proposal is Exportation, defined as the delivery of goods or services to a foreign country for commercial purposes. This represents a viable solution and with generous profits. Among others, on the one hand the low cost of investment, which can mean the considerable risk reduction, on the other hand, the administrative simplicity of the transaction. This way to do business is considered a very good strategy to gain international experience.

Additionally, using this strategy to begin with allows the organisation to continue taking advantage of the opportunities that the Venezuelan state offers, in terms of workforce and 100 % national raw materials, marketed in Venezuelan local currency. Consequently, the company could produce an excellent product with an excellent ratio of cost/value, maximising the quality of the fertilizer and the profit margins.

In spite of all this , there are some disadvantages which ,considered objectively, are the least important because: in the first place, although it is true that transportation costs should be considered, these would not be so high due to the geographic position of the place of departure (Venezuela) and the place of delivery (North Brazil). What is more, ground freight is possible

which would reduce notably this service. In second place, the tax barriers will be low due to the several International Agreements (treaties) between Brazil and Venezuela.

Based on all the previous points, the decision is obvious. The company should choose the export policy, as the first option to enter the market in Brazil.

VII.6.-Marketing Strategy

Once we have identified the parameters (target country and entry mode) that best suit the company, taking into account its potential and limitations, it is important to define the marketing strategy that Cathequim will follow to ensure the best possible performance from the beginning.

To plan a good marketing strategy, we will rely on the concept of a detailed Marketing Mix. The Marketing Mix is the set of controllable and tactical tools that the firm blends to produce effective responses to gain shares in a specific market. This concept comprises 4 key variables that must be taken into account to throughout its development. Those 4 key variables, also known as the four Ps of marketing and stands for Product, Price, Place and Promotion.

It should be noticed that each of the variables is corelated and codependent; hence pricing decisions must be coordinated with the product design, or the promotion strategy must be aligned with and distribution and placement plan, and so on.

Within the internationalization's process there is a common practice in which the company resort to position their product based on price and then adjust the rest of marketing mix decisions based on that price that price. For this particular case of study, the company will follow a penetration pricing strategy. Based on the favorable position the company holds due to local manufacturing advantages, Cathequim will focus its efforts to offer a high end products at very competitive prices, keeping always in mind customer considerations and expectations.

VII.6.1.- Product mix

From the current portfolio offered by Cathequim within the local market (NutriCathe 9-40-9 Formulation - Crystals, NutriCathe 18-18-18 Formulation – Crystals, NutriCathe 15-10-30 Formulation – Crystals, NutriCathe Calcio-Boro Formulation – Liquid, NutriCathe Magniplus Formulation – Liquid, CatheFoliar Plus Formulation – Liquid and CatheFoliar K Formulation -

Liquid), there were selected two of them for a first approximation with the foreign market, NutriCathe Magniplus and NutriCathe 9-40-9.

The reasons behind this selection, are mainly three. The first one is that according to the Company, those two products are among the most polyvalent fertilizers, this means that they can serve their purpose under nearly every environmental sort of conditions (soil, temperature, humidity, etc.) and almost every crop. The second reason is that those are two of the most profitable Cathequim's product locally, so after considering that the neighboring market has similar environmental conditions comparing to Venezuela, especially in the northern regions of Brazil, this can give some lights on how high the demand could be, if Cathequim ensures a proper marketing strategy. Finally, the third reason behind was the formulation the two of them share, as both NutriCathe Magniplus and NutriCathe 9-40-9 are distributed in bags (crystal formulation) which make it easier the stockpiling and transportation of the product from Venezuela to Brazil.

VII.6.1.1.- Packaging and labelling

One of the most important aspect of the product is the packaging. Inevitably, the customer tends to sort and get conclusions of any product from its external look, so if the presentation is not proper there is a chance that the person gets a misconception of the brand and de company. The fertilizer's sector is not the exception, reason why Cathequim has decided to stick with the same elegant presentation offered locally, with a white packaging with green and blue details, focusing on a minimalistic technique. For the labelling the idea is to replicate what the company currently have, following the same format and amount of information but presented in Portuguese. This formula has received good critics and the company feels confident about maintaining its identity through its products.

For the size of the packaging, the fertilizers sector is pretty much standard, reason why this kind of product are usually offered following 2 sizes 25 Kg and 50 Kg. Having said that, and taking into account that Cathequim is entering a new market, it is highly recommended to start with the 25 Kg size, in order to get the audience the chance to try the product without the obligation to allocation a significant amount of money. The idea is to create awareness among the Brazilian customers and when they get to know the product and check the results and the benefits by their own, then Cathequim should start to think about offering other sizes and presentation of its products.

VII.6.1.2.- Product Life cycle

According to the expectations, Cathequin will be introducing both NutriCathe Magniplus and NutriCathe 9-40-9 to Brazilian market parallelly, at the beginning of the first quarter of 2021 (Early January). For the two quarters of 2021 the company will be focusing on the introduction phase of the product's life, raising awareness of the brand among the farming community concentrating efforts on customers located in the Manaus (Northern Brazil). From the third quarter 2021 to late 2022, Cathequin forecasts to shift to a growth promotion stage, when it is expected to see a gradual increase in sales value, and from 2023 enter into a maturity phase, where the intention is to keep increasing in sales, yet less rapid, and reducing the expenses, turning the activity more profitable. However, due to the COVID 19 situation, this forecast may change without notice, because markets' responses are and will be extremely linked to the evolution of the current pandemic at least for the following months. Having said that, it is crucial for Cathequin to ensure the ability to shift to plan B in case this persist longer than predicted, as it has been the case so far.

VII.6.2.- Place Mix

VII.6.2.1.- Logistics and Distribution

Considering that Brazil is the biggest country in the region with a total surface of 8.5 million square kilometers and a population index estimated at almost 210 million inhabitants, it would be unthinkable for a medium size company, coming from a neighboring country to try to target the whole country. According to what has been decided so far in terms of the most suitable area for Cathequin to start operation, Manaus is it most convenient option to go for, not only because of its proximity to Venezuela, but also due to its extended agricultural surface. For the target area (Northern region - Manaus), the terrestrial option is the most suitable mean of transport. This is the cheapest way and it is also relatively rapid and direct. From the information gathered at the Icontanier platform, the distance between Yaracuy - Venezuela and Manaus - Brazil is around 2500 km, the fertilizers transportation from the former location to latter would take around 3 days and would cost 300\$ for a 2500kg (100 bags of 25 kg) shipment in a shared 20 feet container with a max. capacity of 22000 kg.

Among the most used distribution strategies (exclusive, selective and intensive) the company feels more comfortable fostering the selective distributions strategy, where unlike intensive distribution, not all available customers are targeted, and neither is it like exclusive distribution where there is only one customer. The idea is to focus the efforts on the agricultural surfaces of Manaus (the northern area of Brazil), identifying the local sectors and clients with the greatest potential, in order to ensure the right amount of stock at the right place. As Cathequim has chosen export as its preferred entry mode hence doesn't have the intention of getting physical facilities within the neighboring market. This means that the company will have to analyzed key players farmers, reach them out and agree with them the terms and conditions to sells its products by their own.

Regarding the demand and inventory, given the proximity between the Venezuela and Brazil and the short time and low cost that takes to transport the goods the company will follow a demand driven strategy, which will help the company to optimize the initial investment, by saving in warehousing that won't be needed.

VII.6.2.2.- Channel

For the sort of goods Cathequim manufactures and sells, it is a common practice to follow a direct distribution channel where the whole process is organized and managed by the manufacturer itself without intermediaries. By adopting this approach Cathequim has more control over how goods are delivered, hence more control over cutting out inefficiencies, adding new services and setting prices. Within its local market, Cathequim has always worked under this concept of direct distribution channel and it would like to replicate this workflow abroad, by doing its market research, targeting key players and potential clients, reaching them out to get into an agreement and finally being accountable for the delivery of the product whenever and wherever is needed.

VII.6.3.- Price mix

VII.6.3.1- Strategy

As it was stated before, the company will adopt a penetration pricing approach. The idea is to encourage customers to try new products by offering a lower price during its initial offering.

The aim is to build trust and reliability around the brand with the hope of keeping the new customers once prices rise back to normal levels.

Following this strategy, Cathequim intends to create awareness among the customers, attract them with very competitive prices with sole purpose of retaining them in order to getting, little by little, more and more market share within the foreign market.

VII.6.3.2- Pricing

In order to determine an attractive initial price to enter the market it is important to identify the target price the company intends to establish as its regular base to sell its products. To achieve that, it is required a benchmark of the current offer from local players, with the idea to fix price that could be used as our reference. To perform the benchmark, there were consulted websites of several main competitors and these were the results:

Table No. 23
COMPETITORS' OFFER IN THE BRAZILIAN MARKET

Company	SKU	Size	Price (\$)
Phusion	Plante Top S	25 Kg	125
Agro Dubo	Fort Plus CaB5	25 Kg	138
Korin Agricultura	Blend G8	25 Kg	160
VitaPlan	04-14-08	25 Kg	162

SOURCE: Phusion (2020), Agro Dubo (2020), Korin Agricultura e Meio Ambiente (2020) and VitaPlan (2020)

It is important to highlight that all the prices listed above correspond to products with similar in technical specifications, chemical composition and size's presentations.

Apart from the information disclosed before, it should be noted that Cathequim offers in its local market, its products for a fractions of the prices listed for its potential competitors, hence offering low prices for quality won't represent a problem for the company theoretically speaking. Currently, Cathequim sells its fertilizers at the following prices:

Table No. 24

CATHEQUIM'S OFFER IN THE LOCAL MARKET

Company	SKU	Size	Price (\$)
Cathequim	NutriCathe Magniplus	25 Kg	65
	NutriCathe 9-40-9	25 Kg	105

SOURCE: Cathequim C.A. (2020) adapted

Prices listed before, refer to those defined by Cathequim to sell its products in Venezuela. At these prices, Cathequim is already getting significant high profits in the local market, that represents around the 60% of the retail price.

Having said that, in order to get a good estimation of the final price in the Brazilian market it must be taken into account additional expenses incurred due to the transportation cost and custom duties.

Given the proximity between the two countries, the short time it takes to deliver orders (three days approx.) once it has been place, and the distribution strategy selected (direct distribution channel) the company has planned to adopt an on demand scheme, allowing Cathequim saving money on warehousing, because the product will travel from the company's facilities direct to the customer's warehouses, hence main cost in this regard will be associated to international freight.

According to what it was stated in the previous chapter, each shipment costs 300\$ for a 2500kg order (100 bags of 25 kg) in a shared 20 feet container with a max. capacity of 22000 kg. This means that for each bag of 25 kg of fertilizers, the company must add 3\$ to the initial price to cover shipping costs.

For the custom duties, as it was mentioned before, for a company based in a country member of MERCOSUR, as it is this particular case, the percentage imposed to enter the product to Brazil is much more favorable than if it wasn't the case. For Cathequim to enter its product to the neighboring country it must be added a 4% fee to the selling price of the product

In the following table there have been taken into consideration those additional expenses that have a direct impact on the selling price of Cathequim's products

Table No. 25

CATHEQUIM'S OFFER IN THE BRAZILIAN MARKET

Company	SKU	Size	Base price (\$)	Logistic costs (\$)	Custom duties 4% (\$)	Base price after Logistic costs and Custom duties (\$)
Cathequim	NutriCathe Magniplus	25 Kg	65	3	2,6	70,6
	NutriCathe 9-40-9	25 Kg	105	3	4,2	112,2

SOURCE: The author (2020), Icontainer (2020), Ministry of the Treasury and Public Expenditure of Brazil (2020),

With the information disclosed above, it can be set that, if Cathequim add 30 % for both products over their local retail price (65 \$ - NutriCathe Magniplus and 105 \$ - NutriCathe 9-40-9), setting the 25 Kg version of the NutriCathe Magniplus at 85 \$ and the 25 Kg version of the NutriCathe 9-40-9 at 136 \$, the company will not only be capable of covering the cost yield by logistics and licensing comprised within the Base price estimated before (70,6 \$ - NutriCathe Magniplus and 112,2 \$ - NutriCathe 9-40-9) but also will ensure very competitive price avoiding the risk of been jeopardized by antidumping regulations.

After carefully considering all additional cost that could have an impact on the price of the company's product, get an accurate estimation of the base price based on all the factors, and finally defining a percentage increase to ensure a highly attractive price for the Brazilian market, is time to assess how favorable is the price gap vs direct competitors within the foreign market. In order to fulfill this objective, we will use as a reference those products and competitor listed above.

To get a proper benchmark we must compare those product with similar in technical specifications and chemical composition. In this sense, we have paired on the one hand NutriCathe Magniplus with Plante Top S (Phusion) and Fort Plus CaB5 (Agro Dubo) and on the other hand, we have paired NutriCathe 9-40-9 with Blend G8 (Korin Agricultura) and 04-14-08 (VitaPlan).

Table No. 26

PRICE GAP BETWEEN CATHEQUIM'S PROPOSAL AND ITS COMPETITORS

Company	SKU	Company	SKU	Size	Cathequim's Retail Price (\$)	Competitors' Retail Price (\$)	Gap
Cathequim	NutriCathe Magniplus	Phusion	Plante Top S	25 Kg	85	125	40 \$ - 47 %
	NutriCathe Magniplus	Agro Dubo	Fort Plus CaB5	25 Kg	85	138	53 \$ - 62 %
	NutriCathe 9-40-9	Korin Agricultura	Blend G8	25 Kg	136	160	24 \$ - 18 %
	NutriCathe 9-40-9	VitaPlan	04-14-08	25 Kg	136	162	26 \$ - 19%

SOURCE: Cathequim C.A. (2020) adapted, Phusion (2020), Agro Dubo (2020), Korin Agricultura e Meio Ambiente (2020) and VitaPlan (2020)

As we can see, while Cathequim is ensuring to offer a highly appealing alternative within the fertilizers market, it is also ensuring to have pretty significant price gap to play with in the following steps of the brand in the Brazilian market. Ideally, after the penetration stage is completed and the brand consolidates its position within the Brazilian market, Cathequim could assess adjustment to get even more profits from its sales, never taking aside the north which is offering high quality products at low prices.

VII.6.4.- Promotion Mix

The last of the P's variables comprised within the Marketing Mix is the Promotion. As well as the other three parameters defined before (Product, Price and Place) this one plays a key role within the expansion process, hence it must be carefully developed in order to ensure success within the foreign market. To begin with, the company will have to define all the steps to be follow during the process and afterwards set specifics milestones for each of them.

VII.6.4.1.- Stages and Scopes

To optimize the process of marketing both the brand and products, it is important to, first, reach potential customers and identify their needs, create awareness among the audience highlighting the benefits of the product and those features that makes it unique, to then encourage him/her to try it out and finally engage and make him/her a frequent client.

The framework used to this end is as follow:



**Image No. 3:
PROMOTION STAGES**

SOURCE: The author (2020)

For the **Awareness** stage, the aim is to introduce the brand and the products to the Brazilian market to let the farmers to know who the company is, what kind of products and benefits does the company offers, the sort of client Cathequim serves in the local market and the positives results those clients have got after using Cathequim's fertilizers in different kind of crops. In the **Engagement** phase the idea is to provide reasons, based on facts and result, to convince those potential customers to give it a try and confirm by themselves how premium the products are. Afterwards within the **Preference** stage the aim is to build customer's loyalty, on the base of reliability of the brand. This stage is particularly crucial because, if it is properly executed it will not only ensure retaining current customer, but also the company will benefit from the satisfaction of those customer, because those clients be will accountable for starting a domino effect with one of the most effective marketing techniques which is Word-of-mouth marketing, and this will contribute enormously to mushroom the market share of Cathequim in the foreign market. Last but not least, we have the **Growth** phase, which aims to take advantage of all the contributions obtained so far from the previous stages to increase even more the sales and grow the market share sustainably.

VII.6.4.2.- Activities

VII.6.4.2.1- Awareness Stage

- **Fairs**

One of the most effective ways to introduce the brand to the Brazilian market, is through local and national fairs, were the professionals, brands, and customers gather together, to promote new products, present new tech, share experiences and most important, it is the perfect place for companies to have the chance to reach the audience directly and networking face to face. In that context, and forecasting that by the end of 2020 or beginning of 2021 the COVID 19 could be under control with a vaccine already developed and tested, the company will be ready to attend

some of the most well know Agricultural Fairs in the neighboring country. Among them, Cathequim is particularly interested in three. The first one is Belasafra 2021-2022(that usually takes place at Londrina during the month of March), the second of them and most relevant the AGRISHOW Brazil 2021-2022 (that usually takes place at Ribeirão Preto - São Paulo during the month of April), the third one is the BioBrazil Fair 2021-2022 (that usually takes place at Anhembi - São Paulo during the month of June).

- **Media and social media presence**

Nowadays more than ever, it is vital to connect with the audience through their preferent channels to market products and services. Cathequim must identify which are the most commons platforms used by this kind of customers and focus efforts on creating campaigns through which the company could highlight the advantages of its offer and portfolio.

- **Traditional visits**

Due to the sort of field, there is a lot of tradition and customs involved in this kind of activities and sectors, reason why sometimes it is important to take into consideration traditional ways to get in touch with the end user. Having said that, it is a clever idea to set personal visits to the facilities of those potential customers open to consider new products.

VII.6.4.2.2- Engagement Stage

- **Fairs**

In this second phase it is crucial to keep participating in local and national fairs, in order to consolidate the brand as feasible option for fertilizers. The presence has to be equal or higher than in the previous stage.

- **Money back Guarantee**

Since Cathequim know of effective its products are, the company is confident about offering a money back guarantee to new customers that will give the audience a great first impression. In order to implement this policy, Cathequim is considering to back it up with customized analysis conducted by the company that will allow it to determine state of the soil and the environmental conditions in order to provide an accurate assessment of the current state of the crops, identifying the needs and suggesting the product, to which the policy will apply, that suit the customer the most given all the parameters.

- **Free product trials**

Aligned with the previous proposal, Cathequim is willing to allocate some resources to free product trials that will be given away to the most relevant prospects, in order for them to start using the fertilizers and confirm on their own the quality of the products. This is an effective way to convince the potential customer how much gain they can take from using these products on a regular basis.

VII.6.4.2.3- Preference Stage

- **Loyalty program policy**

For those customers who have a purchase history with frequent order's placements, Cathequim will offer customized discounts and offers that will be correlated with the client's loyalty. The more regular the customer is the heavier the discount policy will be. With implementation, the company will be looking to increase the share of customer's retention.

- **Customized after-sales services**

In order to strengthen bonds with the customers, Cathequim will offer free-of-charge customized services to provide technical advisory on several aspects related with cutting edge techniques, products or technology to implement to increase crop's productivity.

VII.6.4.2.4- Growth Stage

- **Media and social media presence**

It is important to keep working on engaging current and potential customer through their preferential channels aiming to become a top-of-mind option within the Brazilian market.

- **Traditional visits**

It is also highly recommended to continue with personal visits to the customers facilities. Even though this means an extra effort for Cathequim, is an efficient way of showing how important the client is for the company.

- **Customized after-sales services**

At this stage the after-sales services are as important and effective as for the previous stage, to provide the customer with the feeling of dealing with a premium brand highly committed with its customers base on the principles of reliability, high quality at very competitive prices.

The following table will provide a better understanding on the timing when the company will implement each of the activities and flows described before as well as when each of the stages begin and conclude.

Table No. 27

PROMOTION AND COMMUNICATION ACTIVITIES THROUGHOUT THE TIME

Stages	Activities	2020				2021				2022				2023				
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
Pre-Stage	Market Research			■	■													
Awareness	Traditional visits					■	■	■	■	■	■	■	■	■	■	■	■	■
	Media and Social Media Campaigns					■	■											
	Belasafra Fair					■												
	Agrishow Fair						■											
	BioBrasil Fair						■											
Engagement	Money Back Guarantee							■	■	■	■	■	■	■	■	■	■	■
	Free Product Trials							■	■									
	Belasafra Fair									■								
	Agrishow Fair										■							
	BioBrasil Fair											■						
Preference	Loyalty Program Policy											■	■	■	■	■	■	■
	Customized After-Sales Service											■	■	■	■	■	■	■
Growth	Media and Social Media Campaigns														■	■		

SOURCE: SOURCE: The author (2020)

CHAPTER VIII

VIII.-Financial analysis

VIII.1.- Growth and Sales

Once there were answered key questions about the entry mode (exports), the target market (Brazil), and the Marketing Mix (developing each of the P parameters), is time to forecast the activity the Company will have for the coming years within the neighboring market. Since it is the first international experience for the company, the board wants to extreme the cautions and plan ahead in order to lower the risks and make the move as smooth as possible. Having said that, it is inevitable not to take into account the current COVID 19 outbreak the world is globally facing. Of course, this is and will define how companies run their business and more important how the society changes and adapts to that new normal which is not alien for Cathequim.

Due to the risk comprised in an internationalization decision intensified due to the effect of an ongoing pandemic, the company will prefer to go ease at the beginning and going gradually heavier, at a very controlled pace. Therefore, the company estimates, for the first year 2021, abroad sales of 860 bags of 25 kg of Nutricathe 9-40-9 and 220 bags of 25 kg of NutriCathe Magniplus which counts for about the 20% of the current sales rate within the local market for each of them. Although Cathequim is confident about reaching higher sales rates, it is planning for a less favorable case scenario. For the two following years after 2021, the company expects to see an increase on demand for about 25% yearly. The board is aware that the three-years' goal is ambitious, but it is confident about the product offered, its quality, its advantages and on top of that its highly competitive price.

In light of the uncertainty and variations caused by COVID 19, the scope of the forecast will be shortened to three years, with the idea of increasing the frequency and shortening the gap between each strategic planning. This technique will help Cathequim to gain the ability of reacting if the planned scenario suffers dramatical changes.

In terms of sales, for the following three years (2021-2023) Cathequim estimates a grand total of 517.063 \$. For the first year, the company forecasts around 135.660 \$ for a total of 1080 bags of fertilizers sold. During the second year, the statistics will experience an increase of 25 %

which will rise the numbers up to 169.600 \$ coming from 1350 units sold and by 2023, according to the reasoning the operation abroad will yield 211.803 \$ for a total of 1686 units sold.

Table No. 28

SALES FORECAST WITHIN THE BRAZILIAN MARKET FROM 2021 TO 2023

	Size	2021		2022		2023	
Fertilizer	Kg	Quantity (Bags)	Sales (\$)	Quantity (Bags)	Sales (\$)	Quantity (Bags)	Sales (\$)
NutriCathe 9-40-9	25	860	116.960	1075	146.200	1.343	182.648
NutriCathe Magniplus	25	220	18.700	275	23.400	343	29.155
Grand Total		1.080	135.660	1.350	169.600	1.686	211.803
Growth rate		N/D		25%		25%	

SOURCE: The author (2020)

VIII.2.- Expenses

Now is time to turn the attention to the cost that will be incurred by the company while operation abroad. In the following segment of this chapter we will break down all the expenses associated to the logistics, licenses and permissions, etc.

VIII.2.1.- Expenses incurred in Price

According to what it was stated in the previous chapter, each shipment costs 300\$ for a 2500kg order (100 bags of 25 kg) in a shared 20 feet container with a max. capacity of 22000 kg. The idea is to initially plan a monthly delivery at full capacity with all the orders placed so far up to the 2500kg capacity contracted. The frequency of the shipments will be increasing year by year until reaching a frequency of twice per month.

In the following table there are disclosed the cost incurred in price broken down year by year

Table No. 29**EXPENSES INCURRED IN PRICE FROM 2021 TO 2023**

Concept	2021		2022		2023	
	Quantity of Bags	Quantity of Shipments	Quantity of Bags	Quantity of Shipments	Quantity of Bags	Quantity of Shipments
International Freight	1.080	11	1.350	14	1.686	17
Yearly Total	3.300 \$		4.200 \$		5.100 \$	
Grant Total	12.600 \$					

SOURCE: The author (2020), Icontainer (2020)

VIII.2.2.- Operation cost

For this particular case of study, the operation cost will comprise the entry cost and the custom duties. According to the information provided by the Ministry of the Treasury and Public Expenditure of Brazil (2020) in its website, a foreign company (belonging to one of the MERCOSUR country members) willing to start operation in this country must fulfill the registration process and pay a one-time fee of 900 \$.

For the custom duties, as it was referred in previous chapters, there are special tariffs to be applied this sort of good (fertilizers) coming from a country member of MERCOSUR i.e. Venezuela, Uruguay, Argentina, etc. In our case, for fertilizers the tariff imposed represent 4% of the value of the merchandise at the selling price. This means that year by year custom duties will be increasing at the following pace:

Table No. 30**EXPENSES INCURRED IN CUSTOM DUTIES FROM 2021 TO 2023**

Concept	2021		2022		2023	
	Base	Percentage to apply	Base	Percentage to apply	Base	Percentage to apply
Custom duties	135.660	4%	169.600	4%	211.803	4%
Yearly Total	5.426 \$		6.784 \$		8.472 \$	
Grant Total	20.682 \$					

SOURCE: Ministry of the Treasury and Public Expenditure of Brazil (2020)

VIII.2.3.- Promotion cost

Regarding the expenses incurred due to promotion activities, Cathequim must ensure to have the financial resources to face this initial investment and comply with all the activities planned that will help to rocket the brand within the sector, all these without compromising its health.

To begin with, there must be considered the participation cost for each of the Fairs the company will attend for the following two years. Starting with the Belasafra's fair, according to the hosting website, to lease 9 square meters stand for the coming edition, the cost is 2800 \$. Since it is not possible to get the cost for 2022 edition, we will assume that the price remains the same.

Due to the fact that the AGRISHOW Brazil's fair is the most important national convention and one of the most important globally speaking, Cathequim will have to pay a higher price for a smaller space. Base on the information provided by the host, through the website, to lease 4 square meters stand the company will have to pay 4500 \$ for the 2021 edition. Again, it is not possible to get an estimation for the 2022 edition, so we will follow the same reasoning that before, assuming that the price will remain the same.

And last but not least, for the third fair of the year, BioBrazil, it was not possible to reach get an estimation for the cost, so as the first and the third fairs listed, fall into the same category, it was decided to take the price as a valid reference to estimate the associated cost. Having said that, Cathequim will have to pay 2800 \$ for each edition (2021-2022).

In regard to the media and social media campaigning, the company has decided to allocate and annual budget of 25.000 \$ for the first two years and 15.000 \$ for the third year.

Lastly, for the free product trials initiative, Cathequim has estimated that for the 2021 the investment will be as high as 4.500 \$ and for the following year after that 2022, this budget will be reduced in 1/3 for a total of 3.000 \$ and for 2023 the budget allocated will be 2.000 \$.

Table No. 31**EXPENSES INCURRED IN PROMOTIONAL ACTIVITIES 2021 TO 2023**

Concept	BUDGET ALLOCATION		
	2021	2022	2023
Belasafra fair	2800 \$	2800 \$	-
AGRISHOW Brazil fair	4500 \$	4500 \$	-
BioBrazil fair	2800 \$	2800 \$	-
Media / social media Campaigning	25.000 \$	25.000 \$	15.000 \$
Free product trials	4.500 \$	3.000 \$	2.000 \$
Yearly Total	39.600 \$	38.100 \$	17.000 \$
Grant Total	94.700 \$		

SOURCE: Belasafra (2020), AGRISHOW Brazil (2020), BioBrazil (2020)

VIII.3.- Income Statement

Now that we have forecasted sales indexes for the next three years' time gap and there were considered all the expenses the company will be facing due to multiple factor needed to ensure a successful introduction of the Cathequim's proposal into the Brazilian market, is time to gather all the information together in order to compute net income. This will provide a better understanding about potential the company holds by pursuing the implementation of this project.

Table No. 32**INCOME STATEMENT**

CONCEPTS	2021	2022	2023
Retail Revenues	135.660 \$	146.200 \$	182.648 \$
TOTAL REVENUES	135.660 \$	146.200 \$	182.648 \$
Registration Fee	(900) \$	-	-
Custom Duties	(5.426) \$	(6.784) \$	(8.472) \$
Operation Expenses	(6.326) \$	(6.784) \$	(8.472) \$
Promotion Expenses	(39.600) \$	(38.100) \$	(17.000) \$
TOTAL EXPENSES	(45.926) \$	(44.884) \$	(25.472) \$
OPERATION INCOME	89.734 \$	101.316 \$	157.176 \$
Interest Expenses	-	-	-
NET INCOME	89.734 \$	101.316 \$	157.176 \$

Taxation (16 %)	(14.357) \$	(16.210) \$	(25.148) \$
NET INCOME AFTER TAXES	75.377 \$	85.106 \$	132.027 \$
ACCUMULATED NET INCOME	75.377 \$	160.483 \$	292.510 \$

SOURCE: The author (2020)

From the income statement it can be concluded that the international expansion of Cathequim to the Brazilian would be very profitable even from the first year. External factors as proximity and agreements / international treaties between the two countries and internal factors as the distribution channel chosen, contribute to optimize Net Income indexes from the beginning.

As we can see, for 2021 retail revenues was estimated at 135.660 \$ and after considering and subtracting both operation and promotion expenses (45.926 \$) we got an Net income that after applying the local taxation imposed by the Government in compliance with the current taxation policy, still remains very favorable at a value of 75.377 \$. For the second (2022) and third (2023) year net income after taxes is gradually greater than the year before with values of 85.106 \$ and 132.027 \$ respectively.

With a breakeven point reached from year one, an accumulated net income set at 292.510 \$ for the following three and significantly favorable projection the project holds, there is no doubt that Cathequim has an opportunity that it is worth to pursuit.

CHAPTER IX

IX.-Implementation

After considering all factors that will play key roles within the process, and forecasting the trends and most plausible scenarios, is time to plan the route map the company will follow for the incoming years. It is important to highlight that initial steps are particularly harsh and critical towards the success of any project.

Having said that, and in order to get a better understanding on how the Brazilian market behaves, the company must start by conducting a market research that must take place during the last quarter of 2020. This will provide Cathequim with useful insights about consumptions patterns, internal demand and current market offer.

In order to take full advantage of year one, by the beginning of 2021, the company must initiate the awareness stage, ensuring a proper implementation of the strategies planned beforehand. During this phase Cathequim must work on planning traditional visits to strategic prospects and developing /implementing an impactful media/social media campaign to reach out those potential customers and have the chance to get them to know the product and its benefits. These two strategies (media campaign and traditional visits) must be non-stopping activities for the first semester of 2021. Besides that, as part of the awareness phase, Cathequim will be attending the Belasafra, AGRISHOW and BioBrazil fairs during the months of March, April and June (respectively) during 2021 and 2022. All these with the sole purpose of the position the brand as top-of-mind option for fertilizers.

During July, the company is expecting to enter to the engagement stage, where it is important to create bonds and to establish a close communication with the customer. By then Cathequim will be offering incentives (money back guaranties and free trials) not only to encourage current clients to increase the order placement frequency but also to connect with those prospect that haven't tried the product yet. The engagement stage is set to last for the entire second semester of 2021.

Afterward, by early 2022, the company will be introducing the preference stage. By then Cathequim will be enjoying a favorable position as a result the reputation it has achieved so far based on its quality and competitive price. Within this stage the aim is to consolidate its position

as a referent for the northern part of the Brazilian market. To achieve that the company plans to implement both attractive loyalty program policies and customized after-sales services, to show the audience that the brand's priority aren't sales or profits, but the customer's satisfaction. Even though that these strategies were set as part of the preference stage, they apply to the rest of the stages, because within the company's DNA the customer is always first.

The last of the promotion stages will start on January 2023 and will last until there is a need to renew the promotion strategy.

Last but not least, it is worth to notice that by the end of every fiscal year, the company must review the results yielded, in order to understand if the implementation is in accordance to what it has been planned or if some correction are need.

CHAPTER X

X.1.-Conclusions

A feasibility study of the Venezuelan company Cathequim C.A. was carried out in order to analyse the situation prior facing the expansion and the entry into the international markets of this company in the area of fertilizers and pesticides. The results of this being encouraging.

To begin with, the internal conditions of the company were analysed highlighting the key advantages and disadvantages of these at that time. The study of SWOT analysis was carried out where a total of 16 very useful strategies were attained in order to achieve the final outcome (extend the brand name into the international market).

On analysing the information it was conclude that the company identified in the study, effectively holds a positive internal balance favourable for internationalisation, supported by the evidence of possessing abundant quantities of local raw material, structured and dominated procedures, well managed competent infrastructure, competent and committed employees and a working environment in accordance with the country which allows the company to offer their products of quality and at a competitive price.

A complete analysis in the political, economic, social and cultural frameworks was carried out for each of the 4 Latin-American countries selected for this study as possible markets: Chile, Colombia, Uruguay and Brazil. On analysis, there is evidence that the selected countries all have similar behaviour when considering politics and institutional management. On the other hand, when referring to the economic environment, freedom of investment, financial freedom, business management as well as stability in legal aspects favour more Chile, thus being very attractive for investment and new business.

In addition, Chile, followed by Colombia offers more opportunities/facilities generally to do business. However, the interest of the company must be guided towards allocating its product in Manaus (Brazil), considering that this is an important agricultural area, with a view of growth based on the sustainable exploitation the riches of the Amazon forest and also counting on an important growth of industry in the free trade area of Manaus, bordering neighbour town, at the south of Venezuela connected by land.

Export was chosen as the most convenient entry strategy for the company, based on the highest performance from the perspective of profitability, investment cost and opportunities for price and quality differentiation.

After that, there was designed a tailored marketing plan, where there developed, in detail, each of the parameters (Product, Price, Place and Promotion) that play key roles within the international expansion. This will be very useful because it could be taken as a route map to ensure achieving the objectives, set before, with positives results yielded.

Later on, it was provided a financial analysis, taking into account both external and internal variables that impact and play a role in the implementation of the project. Once the information was compiled and analysed through the income statement, it was confirmed that all in all it is very profitable project that is definitely worth to pursuit.

As a final step, it was developed an implementation plan. Within that plan, there were listed all the step and the timing where those steps must be implemented. This will serve as a guideline to ensure a proper execution of the project.

X.2.-Recommendations

From the potential demonstrated and the results yielded by the investigation, it is considered that the company would definitely gain benefits from this venture. Consequently, it is recommended that the company continue the investigation in more depth

It is advisable that the organisation follows the steps identified within the framework, but keeping always in mind that the ongoing pandemic could change the landscape without any further notice, in which case, Cathequim should be prepared to adapt its strategy to pursue what it was initially planned. In light of this uncertainty, for particular project it was decided to plan three years ahead instead of five or eight years ahead. In this sense, after completing the three years' gap, the company should reconsider if it should keep planning with this same frequency or if it is more convenient to expand the gap in order to turning it into a 5 years plan or even greater.

In order to follow the recommendations provided, the company has three alternatives –The first could be to replicate what it has been developed within this project so far (which is not advisable due to the volatility of markets). The second one is to develop a new plan through a professional consulting firm, dedicated to studies and analysis of procedures of internationalisation; an excellent alternative which would imply a substantial investment. Or a third option to undertake would be the possibility of a second dissertation from another student specialised in the field, who could be able to continue the workflow by redesigning the strategic plan, considering the variables and parameters that will come into play in three years. This would greatly reduce the investment without sacrifice or compromise the project since the project would be endorsed by tutors of an excellent level.

Surely Cathequim.C.A will be grateful.

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XII ANNEXES

Table No. 30
CATHEQUIM PORTFOLIO

PRODUCT	COMPOSITION	TECHNICAL DESCRIPTION	FUNCTIONAL DESCRIPTION	SALES VOLUME 2018	SALES VOLUME 2019	SALES VOLUME DIFFERENTIAL	TOTAL SALES 2018 (\$)	TOTAL SALES 2019 (\$)	SALES DIFFERENTIAL L (\$)	GROWTH RATE (%)
NutriCathe 9-40-9	N(9%), NO3(2.5%), NH4(4.5%), NH2(2%), P2O5(40%), K2O(9%)	FORMULATION: Crystals COLOR: Green HUMIDITY (At 60 C, 1 hour) : Max 3% CONDUCTIVITY : < 1.8 mS/cm	Fertilizer with high phosphorus content favorable for the growth and initial development of roots during the establishment of the seedling. Additionally, it can cover the phosphorus requirement to maintain the plant's energy system in later stages.	576 Bags (25 Kg per bag)	4295 Bags (25 Kg per bag)	3719	60076.8	447968.5	387891.7	745.7
NutriCathe 18-18-18	N(18%), NH4(3.5%), NH2(9.5%), P2O5(18%), K2O(18%), NO3(5%)	FORMULATION: Crystals COLOR: Green HUMIDITY (At 60 C, 1 hour) : Max 3% CONDUCTIVITY : < 1.8 mS/cm	Fertilizer formulated as soluble crystals to be used in fertirrigation. It offers an adequate balance of nutrients in the intermediate stages of the crop, such as differentiation, flowering and fruit set.	1819 Bags (25 Kg per bag)	8705 Bags (25 Kg per bag)	6886	326146.7	1560806.5	1234659.8	478.6
NutriCathe 15-10-30	N(15%), NH4(2.2%), NH2(4.3%), P2O5(10%), K2O(30%), NO3(8.5%)	FORMULATION: Crystals COLOR: Green HUMIDITY (At 60 C, 1 hour) : Max 3% CONDUCTIVITY : < 1.8 mS/cm	Fertilizer capable of supplying nitrogen, phosphorus and potassium in sufficient and balanced quantities capable of promoting photosynthesis, the transport of sugars and the increase of the final crop yield, further improving the quality of the harvested products.	1100 Bags (25 Kg per bag)	3939 Bags (25 Kg per bag)	2839	39710	142197.9	102487.9	358.1
NutriCathe Calcio-Boro	N(7%), CaO(15%), B(0.04%), NO3(7%)	FORMULATION: liquid COLOR: Yellow SOLUBILITY (in 100 g/ml at 20 C) : 100% CONDUCTIVITY : < 1.8 mS/cm	Concentrated liquid fertilizer that provides nitrogen, calcium and boron for the proper nutrition of crops, horticultural, fruit and ornamental plants. Its use increases the growth and resistance of plants against unfavorable conditions, considerably improving the quality of harvested organs.	21987 Plastic containers (30 Liters per plastic container)	38171 Plastic containers (30 Liters per plastic container)	16184	1246662.9	2164295.7	917632.8	173.6

SOURCE: Cathequim C.A. (2019) adapted

Table No. 30
CATHEQUIM PORTFOLIO

PRODUCT	COMPOSITION	TECHNICAL DESCRIPTION	FUNCTIONAL DESCRIPTION	SALES VOLUME 2018	SALES VOLUME 2019	SALES VOLUME DIFFERENTIAL	TOTAL SALES 2018 (\$)	TOTAL SALES 2019 (\$)	SALES DIFFERENTIAL L (\$)	GROWTH RATE (%)
NutriCathe Magniplus	S(12.5%), MgO(14.7%), Fe(0.3%), Mn(0.08%), Zn (0.06%), B(0.04%), Cu(0.03%), Mo(0.008%)	FORMULATION: Crystals COLOR: White HUMIDITY (At 60 C, 1 hour) : Max 3% CONDUCTIVITY : < 1.8 ms/cm	Fertilizer formulated as soluble crystals, which provides magnesium, sulfur and micronutrients in a perfect balance for the nutrition of cultivated plants.	445 Bags (25 Kg per bag)	1107 Bags (25 Kg per bag)	662	28747	71512.2	42765.2	248.8
CatheFoliar Plus	N(5%), NO3(3%), NH2(2%), P2O5(1%), K2O (10%), MgO(1%), Zn-EDTA(0.05%), Fe-EDTA(0.05%), Cu-EDTA(0.01%), B(0.01%), Co(0.001%), Mo(0.001%)	FORMULATION: liquid COLOR: Yellow SOLUBILITY (In 100 g/ml at 20 C) : 100% CONDUCTIVITY : < 1.8 ms/cm	Concentrated liquid fertilizer used in foliar sprays to complement the supply of essential nutrients in most crops. It contains a wide range of macro and micronutrients in a balanced way, allowing a high capacity for absorption and redistribution within the plant.	1810 Plastic containers (30 Liters per plastic container)	4910 Plastic containers (30 Liters per plastic container)	3100	120908	327988	207080	271.3
CatheFoliar K	N(5%), NO3(3%), NH2(2%), K2O(10%)	FORMULATION: liquid COLOR: Colorless SOLUBILITY (In 100 g/ml at 20 C) : 100% CONDUCTIVITY : < 1.8 ms/cm	Concentrated liquid fertilizer to be used in foliar sprays. It improves the photosynthetic capacity of the plant, the synthesis and transport of sugars, the formation of chlorophyll and increases the resistance of organs and tissues to adverse environmental conditions. It also promotes the efficiency of water use in the plant.	970 Plastic containers (30 Liters per plastic container)	2198 Plastic containers (30 Liters per plastic container)	1228	40934	92755.6	51821.6	226.6

SOURCE: Cathequim C.A. (2019) adapted

Image No. 4
LABORATORY VIEWS, OPERATIONS AND STORAGE FACILITIES





Image No. 5
PRODUCTION AND PACKAGING LINE





Image No. 6
CATHEQUIM'S STAFF AND TRAINING SESSIONS





Image No. 7
PART OF THE CATHEQUIM C.A. PORTFOLIO



