



GLOBAL BUSINESSES, INTERNATIONAL PARTNERS

INFORMATION SYSTEMS IN
INTERNATIONALIZATION
PROCESSES



COSMO CONSULT
Business-Software for People

CONTENT

Internationalization	3
International deployment challenges	5
International Roll-Out and information systems	6
CORE concept	7
The upcoming technology	8
Digital transformation	10
The importance of a Global Partner	12
COSMO CONSULT International Projects	14
Main distinguishing factors	15

INTERNATIONALIZATION



Nowadays, internationalization has become both a **requirement** and one of the greatest **challenges** for companies. Manufacturing processes, sales channels and target markets are becoming increasingly global, so the growth of many companies depends on the ability to manufacture and distribute their products and services, as well as having a presence in different locations around the world.

Projects and strategies involved in this international expansion also involve the **deployment of information processes and systems**, which in turn require a large use of resources and the need to consider a wide range of aspects to successfully complete it. That is the field in which it is essential the role of global suppliers that are capable of providing support to the companies beyond their borders. Numerous studies show how the loss of information along the operating chain, as well as between the company's head office and subsidiaries causes inefficiencies that have a very direct impact on the incomes.

Some examples:

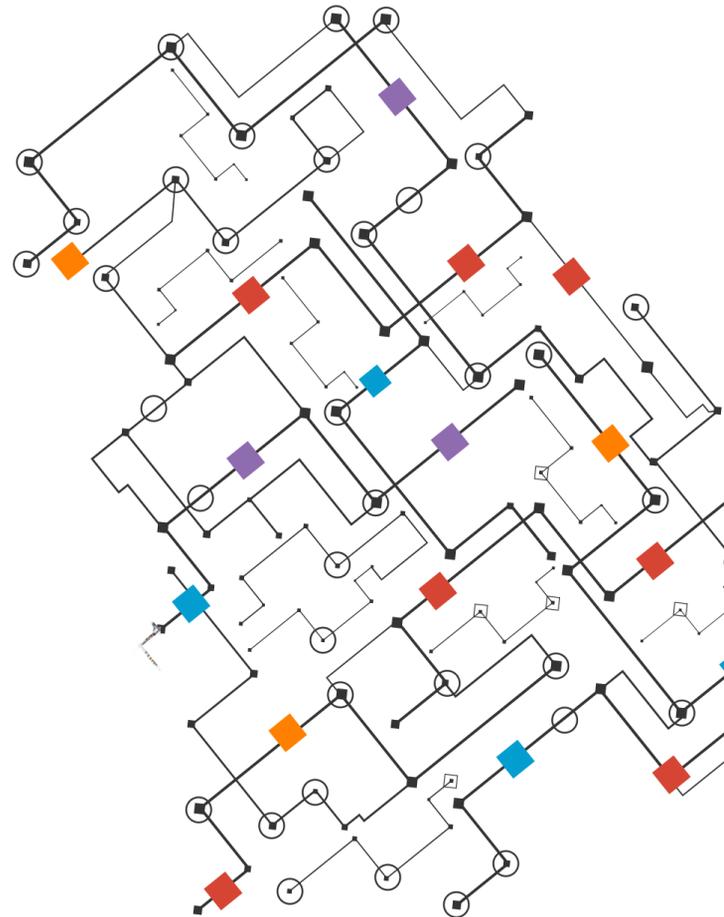
- Discrepancy between products and services offering and demand.
- Different ways of carrying out common activities
- Costs due to excess or lack of stock.
- Inability to adapt to the specificities of different countries.
- Non-competitive time to market.
- Excessive dedication to tasks that do not add value.
- Non-optimal availability of resources due to poor planning and maintenance.
- Wrong decisions due to lack of information at the right time.
- Low level of customer satisfaction due to response's quality or capacity.



Therefore, a good schedule of the company's activity growth to new locations, combined with the use of the advantages provided by technological solutions already available to any organization, is key to eliminate these inefficiencies and turn the process of change into an opportunity to:

- Reduce time to market by up to a 50%
- Reduce non-operative time of resources between a 30% and a 50%.
- Reduce stock costs by more than a 20% up to 50%.
- Obtain a 20% decrease in costs related to the quality of products and services.
- Manage less maintenance costs by up to a 40%.

(Source: McKinsey, Digitization of the manufacturing sector)



“Companies must change the way they manage their data and information. This is undoubtedly one of the biggest challenges for traditional companies in a new reality, in which the value of information grows exponentially. The information must be actively managed in all phases of the value chain and in all locations of the company, and integrated into the business processes.”

William P. King, CTO of the Digital Manufacturing and Design Innovation Institute of the University of Illinois

THE CHALLENGES OF INTERNATIONAL DEPLOYMENT

Let's consider some of the most important aspects to take into account when undertaking the challenge of international deployment:

Decentralization or centralization

When defining an **internationalization process**, the reasons that lead an organization to embark on that path are as diverse –opening new markets, reducing manufacturing costs, seeking a more efficient production and distribution structure– as the options for structuring the change.

Today the **time to market or the response time to the customer are key to competitiveness**. In order to optimize these factors when undertaking expansion initiatives, the following should be taken into account:

- Some companies will choose, especially at the beginning of its internationalization process, to **maintain the basis of activities in its home country** and export to other areas.
- Other companies will choose to **extend their activity throughout different countries**, by seeking to benefit from the competitive advantages that presence in different markets offer, and by replicating the structure of the head office in different subsidiaries.
- For other organizations, the most efficient and optimal cost level model will involve **keeping the most critical activities in home country**, but redesigning its structure by decentralizing and outsourcing certain stages of its value chains.
- And others will choose a **flexible model** in which, although common or brand image elements are shared, it will be prioritized the adaptation to each global market where it is chosen to have a presence.

For an international company, having centralized information sources and standardized processes in the different locations in which it operates will be one of the factors that will allow a results optimization in a consistent way.

But on that basis, the international expansion of an organization can be carried out through different strategies, all of which must be supported by business solutions that promote and support them.

In the roll-out of processes and solutions to other locations, the requirements of an organization can be targeted to a decentralized model, to a centralized one or even to a combination of both.

Therefore, in what is known as a **Hub & Spoke model**, with a parent company and its subsidiaries, branches or smaller operating centers, it is possible for the head office to manage its processes through a single business solution. At the same time, it is more beneficial to keep the management solutions used in the subsidiaries. In these scenarios, the management solution of the head office has to be integrated with the systems of each location, creating a system that provides a comprehensive view of the operations without having to perform inefficient implementations by trying to replicate itself in all the subsidiaries.

It will be essential to **rely on ERP, CRM or other solutions able to manage exchange rates, consolidate accounting and tax rules or keep logistics traceability** –while still doing common business processes– in situations where certain locations do not yet have a management system or where it is more efficient to replace it with the one used by the head office.

Ultimately, the roll-out solution strategy must guarantee the following **roll up of data at a corporate level**, providing a complete visibility in real time.

INTERNATIONAL DEPLOYMENT AND INFORMATION SYSTEMS

It can be said that the growth of a business will be as effective and efficient as the systems used to manage that process. An **internationalization process** can be the ideal opportunity to review the IT requirements of an organization, replace obsolete systems and evaluate new possibilities that technology offers.

In the so-called **4.0 Revolution** is essential to have flexible structures in order to grow, especially with the apparition of new business models, the changes in value in chains of many companies and the emergence of start-ups and innovative companies able to adapt and compete quickly.

The decision making during any global change and the possibilities of achieving the set goals will be based on the **selection of tools**, which range from simple data storage to powerful business intelligence solutions.

The good news is that technology today brings to any company several options that move forward the **digital transformation of all its businesses in all levels**. All of that, along with options that allow fast deployments, flexible implementations, fewer costs or the possibility of incorporating functionalities that until then were unaffordable, thus eliminating the need for redundancy in infrastructures and equipmen

ERP as the backbone for the deployment

Most likely, a company that is considering undertaking an internationalization process has already a solid ERP management system to support its main business processes.

But precisely that will be the moment where you may consider replacing it, updating it or expanding it to ensure that it will be the information platform that a global company needs to properly face new challenges. When deciding which ERP will be the best support for the expansion, it is fundamental to consider aspects such as the following:

- Its **availability to grow**, the effort and cost of implementing new modules and functionalities or acquiring new licenses as needed.
- The capability **to support standard business processes** that in turn can be replicated and adjusted quickly in different locations.
- Its flexibility to **work at different levels of operational complexity** in order to adjust to the different locations' requirements where it is implemented.
- The capability to be easily **integrated with those local systems that cannot be replaced** by the centralized platform, thus ensuring the information flow at all levels.
- Its **usability**, a determining factor for its implementation success, as well as for user adoption.

- Its **future viability**, with investment guarantees and a life cycle set by the manufacturer.
- **Development and maintenance cost**, regarding both the resources and knowledge that the company should have to foresee, and the support and service offered by the manufacturer and its partners.
- Availability of **ERP in the cloud**, which will imply greater speed and ease of deployment, ready-to-use infrastructures, high flexibility and scalability. In short, many advantages for your international roll-out.

Fewer and fewer companies think of their activity as something confined in their own borders. The usual thing today for companies of virtually any size is to work daily with production and international markets, and to have placements of several types and functions in different offices. Supporting these structures requires adequate information systems, which can be used to lay the foundations and standards of how the company operates globally.

THE CORE CONCEPT

The CORE approach in the deployment of global corporate solutions is the one commonly used by international suppliers of management systems such as COSMO CONSULT. CORE -or center- is also the meaning of "**Corporate REquirements**" or "**Corporate Requirements**". The COSMO CONSULT **CORE** approach for the deployment of Microsoft Dynamics solutions on an international scale focuses on the definition of corporate business processes. These will then be deployed internationally in order to achieve a harmony between all the operations of the organization, managed in a single ERP solution.

CORE solutions are defined under a holistic and structured approach in order to map all the business processes of a company within a single ERP system, which will be used on a global scale. The CORE versions of the solutions take into account all the **company's generic specifications, processes and functions that are not linked to a specific country**, and store all these information in a Database that becomes the basis of the ERP system. This CORE version will be the foundation for deploying it in each country along with its locations, so that the solution covers all local requirements, such as multi-currency, accounting, tax or, obviously, language issues.



The main advantage of a CORE solution design and its deployment is that we will have an information system that defines the standards of how the company works, thus harmonizing them at an international level and allowing a global consolidation and reporting. Moreover, it will ensure the deployment and internal management thanks to both a centralized and individual business unit knowledge.

"An information system that integrates several international locations can improve productivity up to a 30%."

McKinsey, 2015



THE UPCOMING TECHNOLOGY

The new technological mega-trends (Big Data, Internet of Things, Predictive Models, Machine Learning, Mobility, Virtual Reality...) are possible because of the cloud and are already available to companies that, without the cloud, could not consider the investment in the resources that these trends would require.

Internet of Things (IOT)

The cloud is the most effective, economic, scalable and the least risky to collect and analyze data through sensors connected to the Internet of Things. This opens up huge possibilities for companies to incorporate machinery, equipment, vehicles, logistic systems, products, environmental elements, etc., into their information systems.

The cost of the sensors responsible for collecting information, data transmission and processing has already been dramatically reduced in the last two years and it is expected that it can **go down by up to a 50%** before the year 2020.

Big Data applied to predictability

The intelligence and knowledge that **Machine Learning** systems can contribute to business solutions broadens the number of data sources that turn into information of great

value to guide production planning or sales. The capability of having more accurate demand forecasts will have a decisive influence on improving product availability or minimizing inventory costs. The possibility of predicting which customers will buy both when and what, will optimize the resources and efforts involved in the sale.

Customer experience

In a globalized and hyper-connected world, the experience that an organization offers to its clients and collaborators unequivocally determines its growth. The new business models are transferring much of the value from physical products into the service and perceptions of their customers. Therefore, maximizing that experience and the capability to incorporate customer feedback into the production or service design chain must be a vital element in business and decision-making processes.

Ecommerce and digital marketing solutions

Omnichannel management, point of sale systems or social segmentation must be incorporated into the resources of a company which has a global vision and, therefore, cannot ignore these new sources of value.

Business Intelligence

During the past years, analytics and business intelligence has been one of the areas that has experienced the most significant advances. Giving decision makers tools that are both easy to use and capable of providing quick answers to complex questions is something essential in the **capacity for action required by the current world.**

Data Discovery

Within Business Intelligence, there is an increasing tendency towards the concept of **Data Discovery** –processes focused on the user to detect patterns or values through visual navigation or by applying advanced guided analytics.

Mobility

The new business solutions have already incorporated multiple mobility options, both in multiple devices' usage and in the **easiness for the applications' development.** These are based on management data or new uses such as mobile POS terminals for retail or customer service devices with virtual reality technology.

Cloud Infrastructures

Cloud technology is here to stay and allows organizations of different volumes to take advantage of hardware and software infrastructures in a more economic way, and have greater flexibility, scalability and accessibility of deployment. Transferring to the cloud can **significantly reduce the total cost of ownership (TCO)** of IT and network resources, overcome geographic or organizational boundaries, and enable companies to take advantage of the benefits of technology options that can only be undertaken on a cloud platform.

Either with an approach to transfer to the cloud —public or private— or to maintain a hybrid model with solutions in the cloud and on-site solutions, there are several aspects that should be considered:

- **The economic factor:** Hiring the necessary capacity and resources in the cloud will considerably reduce the need to acquire servers, software or network structures, turning expensive investments into foreseeable operating expenses. For this reason, it is necessary to study the different payment scales, contract modalities and service schedules in order to find the one that provides the most advantages to each business.

- **Scalability:** A company can grow in many directions and at different rates. Therefore, it must always be possible to expand or reduce quickly and flexibly the applications, resources and capacities hired, so that the advantages provided by the cloud can be adapted to the requirements of the company at all times.

- **Accessibility:** Employees should be provided with cloud solutions that give them the opportunity to develop their work anytime and from anywhere. In order to achieve that, solutions and schedules that provide access to ERP or CRM systems, virtual desktops or systems for saving, sharing and synchronizing documents will be essential.

- **Service plans:** Any process of transferring to the cloud must be undertaken with guarantees, as the supplier will provide the knowledge, maintenance, speed and availability and the company will no longer have to invest with its own resources. The main elements to consider when choosing the partner with which to transfer to the cloud are the SLA or support plans for each option.



"Safetykleen, which serves more than 18,000 machines per week, has implemented Microsoft software to obtain productivity benefits in its operations and management. The company is also integrating wireless technology based on IOT (Internet of Things) in its transition from being a scheduled maintenance services company to being a proactive maintenance services company. The Safetykleen solution received the Microsoft 2015 *Visionary Award for Manufacturing and Resources.*"

THE DIGITAL TRANSFORMATION

Beyond technology, people are the key element that will determine the success or failure of any company's expansion. Any process that tries to be imposed behind the employees' backs, without taking into account their knowledge, contributions and emotions, will be doomed to failure. In reports such as Industry 4.0 by McKinsey, it is stated that the implementation of cooperating methods is one of the foundations that sustain the digital transformation of companies in today's world, both within the company and with its ecosystem of alliances, beyond geographical borders.

Therefore, the methodology and practices that support the entire process must have a communication plan and the necessary tools to foster the relationship between teams, the distribution of information in real time about the project status, the compilation and management of needs and the encouragement to adopt and implement the change.

- Portals to share information, ranging from documents to the project schedule or video sessions.
- Instant messaging solutions for online communication.
- Corporate social networks.
- Gamification strategies.

These elements can be decisive when it comes to lessening the intrinsic difficulties in having a geographically distributed team. And, above all, they will be a key factor in promoting the involvement of all employees, turning them into the best sponsors for the project and, thereby, contributing to its success.

Multi-language and multi-currency solutions

Multi-language and multi-currency capabilities are essential requirements in any management solution for a multinational environment. The possibility that each person can work on the same system in their own language and currency is not only crucial for implementing the solutions, but also for adjusting into different markets and avoiding costly developments in aspects such as the financial consolidation of different venues, for example.

Scalability

The international expansion of a company, which has just begun to operate in new countries, is a gradual process undertaken in several steps that will vary according to the geographical and/or functional priorities of each moment. Therefore, it is essential that the operational changes that are to be derived from this process are backed by flexible solutions that can be expanded along with the company.

Moreover, an international deployment does not imply that all company locations have the same dimension and needs. It is henceforth essential that a scalable solution will be the foundation of such deployment, which will be able to adjust to the different requirements of both a head office and of smaller delegations.

Business solutions that are able to adjust to different process complexities allow companies facing an internationalization process to benefit from a common core. This helps them minimize the costs embedded in deployments that simply use the head office ERP as a source of data that must be integrated with multiple local solutions.

Change management

The methodology with which an internationalization project is carried out must include in its schedule change management actions since its early stages. Developing such a project will undoubtedly imply modifications in the dynamics and tools of many teams. For that reason, it is essential to guarantee that those changes are produced as smoothly as possible.

Establish:

- A definition of the people involved in the whole process, their role and responsibilities
- Clear milestones
- Risks identification and how to manage them
- Deliverables, regularly and with a defined format
- Information channels of the project status and feedback collection
- Training and acknowledgment schedules

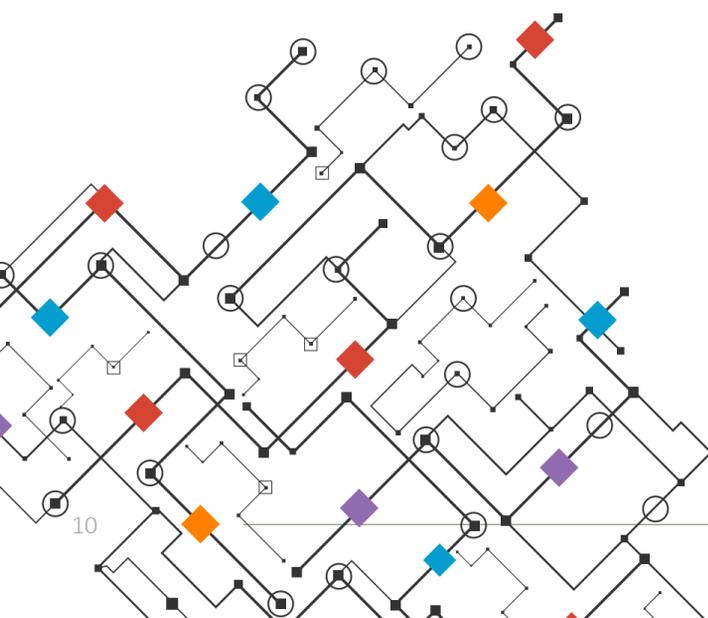
These are determining factors when it comes to getting the necessary parts involved in the project, facilitating their adaptation to changes and maximizing acceptance throughout the organization.

The need to contemplate these aspects in the early stages takes on a special relevance in processes with fast deployment times, such as those supported by cloud platforms.

Measuring success

As in any project, when considering processes of internationalization and digital transformation, it is necessary to think of the milestones and indicators that will determine the level of success in achieving the goals that have been set.

Choosing **KPIs** properly, setting precise goals and metrics to evaluate them, and ensuring visibility of their progress throughout the process, will not only provide information on how effectively the strategy is being developed, but will also be key in motivating the team involved and in showing ability to make adjustments quickly, whenever it is necessary.



"Cromology is the number three company in the field of decorative painting in Europe. In order to boost the sales force and place the customer in the center, thereby unifying all the information, COSMO CONSULT implemented the end-to-end Microsoft Dynamics CRM platform. This has reduced by up to a 50% the response time to complaints and customer requests, it has also improved the analysis and management of complaints —increasing the company's service to its customers— and has monitored all the relative aspects regarding the relationship between the client and the company. It has boosted the sales network and improved the relationship of the clients with the commercial team".

THE IMPORTANCE OF A GLOBAL PARTNER

Given all the challenges and changes that a company must face, the key to successfully undertake an internationalization process is **to have a partner that can offer the necessary support in all steps**, from the most technical ones to the emotional management of the involved resources.

An international deployment requires **skills and experience** in areas that include software know-how, project management and motivation of intercultural teams, among others. And, obviously, during the expansion process, the teams of an organization must continue carrying out their daily work and adding value to it.

That is why having a partner capable of providing the necessary knowledge and resources, of complementing the company's teams and optimizing their dedication, will be a decisive factor in achieving the end goal and laying the foundations for future growth. Likewise, a partner that in turn has a global presence will be the best ally in the internationalization process, as it will have the ability to provide the ideal combination between local knowledge and international vision.

The best guarantees when choosing the technology partner with which to undertake such a challenge, will be offered by those who are as capable of understanding the language, culture and specificities of each location as of designing, executing and supporting a global project. In summary, a partner that can add:

- **Proven methodology** in international projects
- **Local presence** in different locations
- Contribution of both **technology and business** knowledge
- Understanding the implications of the **change process**
- **Comprehensive service team**, from planning to technical support
- Ability to advise on the implementation of new technologies
- Direct communication with the solution manufacturers

Local characteristics in a global project

Taking into account all the intrinsic benefits when providing common business solutions to organizations, it should not be forgotten that areas such as financial management or compliance with legal regulations have particularities in each country.



EDUR PUMPENFABRIK is an international supplier of hydraulic pumps, in which COSMO CONSULT has implemented Big Data and Industry 4.0 technologies and concepts. For his CIO, Thomas Stegen, *"The decisive factor in the success of our Project was the business know-how of our partner and their ability to deliver the adequate resources during the most intensive stages of our Project"*.

The specific functions that these particularities require must be covered by a solution that has taken them into account since its conception and design. And not only that, but it also needs to state in its solution's development schedule that these functions will continue to be covered either by the manufacturer or its partners, thereby **avoiding development costs** or risks of incurring in noncompliance of legal regulations.

Localizations

If your organization has global operations, **localizations** are the best option to cover the particularities of different countries or regions. They will help you:

- Meet the legal requirements and regulations of all regions where corporate software is deployed. Not doing so can result in penalties, legal problems and even business closures.
- Locations allow you to cover these demands at the lowest possible cost and with the least headaches, and enable you to:
 - 1) Reduce the total cost of ownership of the software
 - 2) Establish standardized processes and consolidated Reporting between the different regions
 - 3) Avoid redundancy and inconsistency of data

ADVANTAGES OF A GLOBAL INFORMATION SYSTEM

A global information system **prevents the existence of isolated data groups**, especially in situations where there are differences in geography and culture. A global system helps to avoid these barriers and assures an efficient joint work.

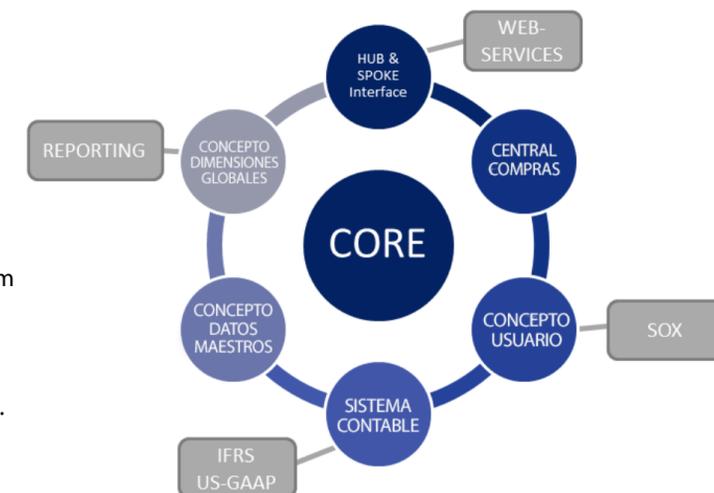
Global Adoption of Best Practices. A global ERP solution helps companies to optimize and standardize business processes, as well as to use unified models by defining processes, templates and ways of working, regardless of locations and geographies.

A faster and more accurate financial reporting, providing accurate visibility of each and all of its parts, regardless of the currency used and the locations.

Regulatory follow-up and risk management.

A global solution enables compliance with the different local regulations, be they financial, legal or related to the environment.

Reduction in operating costs. Global information systems reduce operating costs in different areas, from lower IT costs (equipment, support, infrastructure, applications) to the use of standard processes that improve efficiency, productivity and decision making.



COSMO CONSULT INTERNATIONAL PROJECTS

International deployment projects of ERP, CRM and business intelligence corporate information systems are some of the main fields of COSMO CONSULT Group. As an international ERP solutions partner and Microsoft Dynamics industry expert, COSMO CONSULT provides solutions and services to **more than 3,000 companies in 62 countries.**

COSMO CONSULT uses **Microsoft Dynamics 365** ERP and CRM systems, Microsoft Dynamics NAV and Microsoft Dynamics AX of international scope, and the Qlik business intelligence solution (View, Sense, Norinting) as the basis of its global management solutions, based on the Microsoft business technologies. In addition, COSMO CONSULT offers industrial solutions and its own Add-On's (complementary software), with the highest level of manufacturer certification.

Global services

The Office of Global Participation, part of COSMO CONSULT Global Services, provides clients with access to the experience of professionals specialized in the management and support of international projects. For this reason, **Global Services** keeps a close dialogue to define the specific goals and challenges of each project and developing the optimal implementation strategy. **COSMO CONSULT Global Services** specialty is to define effective and efficient processes and structures to ensure that the client's international activities are perfectly coordinated and harmonized.

That's why COSMO CONSULT:

- Warrants you the help of **experts** with the necessary skills to bring you support exactly wherever and whenever you need it.
- Through our **global partners network**, we help you manage local issues and problems that may arise.
- We assume responsibility for the **individual coordination of the partners (internal and external)** who participate in the implementation of projects and solutions, as well as the projects themselves, managing end-to-end ERP programs.

With **COSMO CONSULT Global Services**, implementation and technical support of your business software is in the best possible hands, both nationally and internationally.

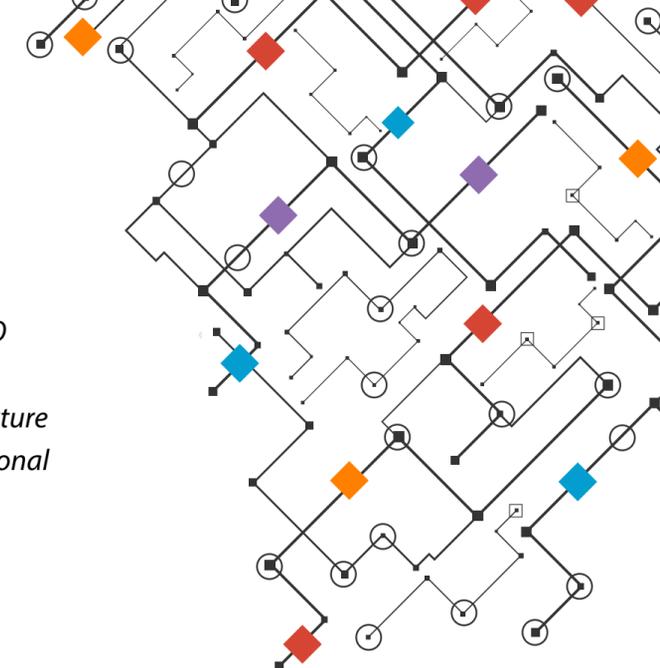
Dynamics 365 corporate solutions

Almost any business software, and especially the most popular ones, such as **Microsoft Dynamics 365**, are ready to be used in different regions, geographies, countries and even continents. Dynamics 365 is an **end-to-end ERP solution in the Cloud**, highly scalable, multicurrency, multi-language and capable of solving, most efficiently, complex multinational environments including hybrid operations.

As a **Microsoft Azure IoT** based solution, it has different industry solution offerings for Manufacturing, Distribution, Retail, Engineer-to-Order, Automotive and others.

International partners network

In addition to having a direct presence through the COSMO CONSULT offices in more than a dozen countries, COSMO CONSULT has a network of international partners. This mixture of local presence and global strategy makes each international project unique.



MAIN DISTINGUISHING ELEMENTS

COSMO CONSULT is one of the main Microsoft Dynamics international projects implementers, which in turn has a series of advantages:

International services from a single source

In order to reduce the time and effort required to coordinate and harmonize projects, the **COSMO CONSULT Global Services unit** associated with the Global Engagement Office provides clients with a centralized point of contact, which guarantees the optimal transfer of knowledge in each stage of the process.

Global services, local action

With the **extensive network of COSMO CONSULT offices and certified Partners** of the Strategic Alliance, the client has everything they need at their fingertips. The COSMO CONSULT team facilitates the management of key aspects, such as different legal regulations, cultural differences, different social and value systems and different languages.

The most recent versions of our verticals are always available internationally.

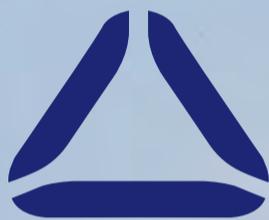
COSMO CONSULT customers benefit from our powerful **Product Development Department**, which keeps the latest versions of vertical solutions available internationally.

Relationship with Microsoft

COSMO CONSULT is one of the central pillars of the Microsoft Dynamics strategy. We keep a close relationship in all levels, both in management and product development

Unique project methodologies

Our success is based both on structured and flexible methodologies derived from the well-known methodology "Microsoft SureStep", and the knowledge developed by COSMO CONSULT through the use of this methodology in multinational environments.



COSMO CONSULT

www.cosmoconsult.com

ECUADOR | CHILE | COLOMBIA | FRANCE | GERMANY | MÉXICO | PANAMA | SPAIN | SWEDEN | SWITZERLAND

 [web: www.cosmoconsult.com](http://www.cosmoconsult.com)
 [email: es.marketing@cosmoconsult.com](mailto:es.marketing@cosmoconsult.com)
 [Tel: +34 902 820 242](tel:+34902820242)

 [/www.linkedin.com/company-beta/616577](https://www.linkedin.com/company-beta/616577)
 [/twitter.com/CosmoConsult](https://twitter.com/CosmoConsult)