

JOE SANTANGELO

[BUSINESS IS FIGHT]
GLOBAL MANAGEMENT LECTURES

INCLUDING :
INTELLECTUAL PROPERTY (IP) :
A KEY FACTOR FOR THE COMPANY MANAGEMENT
BY
MARCO PORSIA



Graphic layout of the cover, inner layout: Marco Porsia
The cover image is a publicly available picture of a painting representing
the battle of Sekigahara (17th century, Japan).
Editing of [Business is Fight]: Cristina Maconi
Thanks to Alessandro Steinfl for reviewing “Intellectual Property (IP):
A Key Factor For The Company Management”

First English Edition October 2016
Paper book ISBN: 978-88-99759-12-4
E-book ISBN: 978-88-99759-13-1
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NOTE OF THE PUBLISHER

This is our first publication directly addressed to an international audience: we are proud of this new “step beyond”. Our publishing company is not mainly directed to the specific field of the present work, even if we have some publication, in this XLG series, relating management matters. But above all we know very well Joe, and we substantially agree with him about his “martial” way of understanding – and playing his own role within – business, sports, arts and, generally speaking, life.

Personally, the first time I read the draft of the present work, I’ve found it very strong, mainly for the accuracy of its Method, which is undoubtedly a Martial Method. In the story of the author, Martial Arts have been a real focus, and have deeply influenced his way of life. Business is competition, not only with third parties, with competitors, but also, and mainly, with the own goals of the people doing their own business. Therefore, business is very similar in many aspects to fight. When Joe entered into the Business dynamics, he kept intact his fighting attitude, not only in form of an aggressive, while reasoned, behavior, but also in terms of deep e powerful analysis of the context, with a spread application of the acquired skills in strategy and tactic.

However, when I’ve finished to read the draft, I’ve found that the work was lacking of an important issue for an increasing number of companies worldwide, that is to say the Intellectual Property (IP) rights. I work in IP matters from the early ‘90s, and I always hoped to have the opportunity to explain, with few technical terms, WHAT IP rights are and WHY they have to be carefully considered and managed. By this way, I proposed to Joe to include an article of few pages, giving a practical overview on IP rights, and suggesting the development of a specific management position. Joe, according to his Method, accepted the offer of a resource which not only proposed a solution, but mainly indicated the problem. I showed him a new battlefield, and he simply told me “*OK man, then it’s your business going through this, isn’t it?*” Yes, it was my business, and business, definitely, is fight.

By this way, you have now this book, bearing the fighting attitude of its author and that of its publishing house, both always ready for every new challenge. Enjoy your reading, go deeply through it, and remember: fight, just like business, is mainly an exchange of energy.

Marco Porsia

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B2B: Business to Business
B2C: Business to Consumer
BC: Business Case
BCR: Business Case Report
BIS: Business Information System
BoD: Board of Directors
BQLR: Business Qualitative Reports
BRICS: Brazil, Russia, India, China and South Africa
BSC: Balance Score Cards
BMP: Business Model Pattern
CAPEX: Capital Expenditure
CEO: Chief Executive Officer
CER: Currency Exchange Rate
CFO: Chief Financial Officer
CS: Cost Supremacy
CTO: Chief Technical Officer
CRM: Customer Relationship Management
DIA: Direct Investment Abroad
DMS: Decision Making System
EBIT: Earnings Before Income Tax
EBITDA: Earnings Before Income Tax, Depreciation and Amortization
EG: For Example
EI: Education Index
ExM: Export Manager
EPS: Enterprise Planning System
ERP: Enterprise Resources Planning
FIFO: First In First Out
FILO: First In Last Out
GDP: Gross Domestic Product
GNP: Gross National Product
HDI: Human Development Index
HR: Human Resources
HRM: Human Resources Management
HQ: Head Quarters
HSEQ: Health, Safety, Environmental, Quality

IE: *Id Est* – That is
IGI: Industrial Production Growth Index
II: Income Index
IIA: Indirect Investment Abroad
IRR: Interest Rate of Return
IT: Information Technology
JVC: Joint Venture Company
JVSC: Joint Venture Stock Company
KPI: Key Performance Indicators
LCD: Lowest Combat Degree
LEI: Life Expectancy Index
LIFO: Last In First Out
LOI: Letter of intent
LOA: Limit of Authority
M-DSS: Managerial Decision Support Systems
M&S: Marketing & Sales
MAP: Management Action Plan
MC: Mother Company
MIS: Market Intelligence System
MMP: Marketing Mix Plan
MoD: Market of Destination
MoU: Memorandum of Understanding
MRO: Maintenance, Repair and Operation
NMAD: Not Making Any Decision
NPS: Non Profitable Stage
NRA: No Reaction at All
OCS: Other Costs of Sales
OPEX: Operational Expenditure
OTMT: Objectives, Tools & Resources, Methods, Time & Chrono-plan
PESTEL: Political, Environmental, Social, Technological, Economic and Legal
PLW: Prepare to live with
POA: Process of Organic Adaptation
QA/QC: Quality Assurance/Quality Control
R&D: Research and Development
RoA: Return on Assets

RoE: Return on Equity
RoI: Return on Investment
SAP: System Application Product
SBU: Strategic Business Units
SCD: Superior Combat Degree
SIEM: Stage of Industry-Evolution Matrix
SHA: Share Holders Agreement
TCD: Tactical Combat Degree
TEM: Temporary Export Management
TEMAP: Temporary Export Management Action Plan
STEEPLED: Social, Technological, Economic, Environmental, Political, Legal, Ethics, Demographics
SSVOP: Sustainability, Strengths, Vision, Opportunities, Plus
SWOT: Strengths, Weaknesses, Opportunities, Threats
USP: Unique Selling Proposition
VC: Value Chain
WAAC: Weighted Average Adjustment Coefficient

PREFACE

AN ORGANIC PERSPECTIVE

We are copycats.

Humans are not only *imitators*, but even *emulators* of animals and of any other natural living beings.

Based on scientific evidences, both plants life and animals (“*flora et fauna*”) had been born and flourished long time before Humans appearance in our known world. We had practiced imitation for hundreds of thousands years: we have studied plants life and animals behaviours with the perspective of improving our life, of strengthening our capabilities in order to protect ourselves from dangerous and risky environments and thus to preserve our species, preventing an unexpected end. We became “*rational*” through hundreds of thousands years, and still we can improve our genus. Our brain is definitely influenced by the external environment, which we continue studying and exploring with the unintended goal of “*learning*” something interesting from the way nature *realizes* itself: its effectiveness (*maximum result with minimum effort*), its cynicism (*natural selection*), its variety of several strategies for resisting to adversities and hostilities.

We are definitely “*copycats*”.

Due to our language and dexterity, we have improved what we have learnt and – in the very long term – we have gradually pushed what we have understood to technicalities and advanced thresholds, which we have called “*our world*”, but we have forgotten that we have also “*copied*” something that other living beings have developed: our advanced and complicated infrastructure (what we call “*our world*”) owes so much to all the other species. We have been imitating strategies and approaches from animals, to protect the fulfilment of any living beings basic need: eating, drinking, sleeping, coupling, sheltering from the environment and from other species hostilities, all for our race propagation. We have added manipulation and attitude to grow up the *inner spirit*, which led us to solidarity, being helpful, creating families and small-group ethics (any religion and philosophical thought is included). We have been imitating strategies to fight against enemies, to hide our true intentions whilst pursuing our actual goal, to attain and store food and energy for future consumption. We have been copying approaches finalized to communicate effectively, to exploit a large bundle of individual contributions to target huge goals, to command entire states and their population. We have improved our way of managing natural and human resources to make our system run properly, effectively, expectedly. We are all driven by a principle – the “*self-preservation instinct*” – which leads human beings to the main point.

Adaptation.

Adaptation may be defined as that process of alteration and/or adjustment in structure or habits, often occurring through natural selection, by which a species or an individual becomes better able to function in its environment; this process also occurs when a genus (or a group or an individual) changes its behaviours in response to new or modified surroundings.

As a matter of facts, Human Beings are “*adaptive*”, as much as plants life and animals actually are.

A generic Enterprise – A *Company*, an *Institutional Organization*, a *Legal Entity* and/or a *Governmental Authority* – is an “*adaptive entity*”, as much as the Human Being is. If we radicalize this basic concept, we will conclude that the baseline disciplines which Economy turns to, are a mix of *Anthropology*, *Ethology* and *Biology*.

In facts, a generic Enterprise passes through the same stages, which any living being runs:

- *Being born* (establishment of a legal Entity)

- *Survival* (being present in the Market)
- *Improvement/Empowerment* (being present in the Context and being competitive in the Market)
- *Propagation* (thrive, perpetuating its activity in the future)

All of this focuses our attention on an “*organic perspective*” of the Enterprise (and any of its units), which finds itself in those same conditions and status, in which a generic Human Being is: time, deadlines and resources are different, but the basic issues to be fixed – and the relevant approaches – are definitely the same.

That is what the *Enterprise Planning System (EPS)* is dealing with, since decades; one of its major accomplishment consists of *ERP: Enterprise Resources Planning*, which is a business process management software allowing Organizations to use an integrated applications system to manage the business effectively and consents to automate many back office functions related to technology, services and human resources. In facts both *ESP* and *ERP* are “*procedures*”, even if advanced, but only procedures. The organic perspective tries to deepen and thus master the decisions subtended to those procedures, the Human contributions, the strategies.

This is what we have tried to do in this Volume: clearing up all the main strategies driving to a crucial decision, to allow a generic Enterprise passing through those stages we have anticipated (*Being born – Survival – Improvement/Empowerment – Propagation*).

Hope you will find the contents clear and useful for your own business.

The Author – September/9th 2016
(Rome – Italy)

METHODOLOGICAL INTRODUCTION

**STRUCTURE OF THE PRESENT VOLUME
TOOLS ADOPTED
METHODOLOGY**

STRUCTURE OF THE PRESENT VOLUME

This Volume had been basically thought for teaching.

As a Teacher, the Author has experienced several sessions of Lecturing and Training, either in Academic and in Company course of studies. He has also been a Manager, covering several positions in the relevant Companies (*Board Member, Business Line Manager, Export Manager, Foreign Affairs Director, Sales Director*). He has actually “*experienced*” all the contents, the processes, the peculiar stages, which any Company would cross over, in the last decades, due to many reasons: globalization, world economic crisis and relevant consequences (related to Multinational Companies, but also to middle/small sized Companies), market constraints, upcoming regulation related to Environmental and Business Sustainability (involving almost all the Governmental Authorities of US, UE and any other advanced country, but also New Developing Countries – such as BRICS: Brazil, Russia, India, China and South Africa, and others), upcoming competition coming from China and India (determined by the significant increase of new demand of health and wealth, coming from those two big countries), and many others.

Sessions, courses and lecturing addressed to the Top Management of the Companies, have peculiarly been focused on providing these Managers and Leaders with the basic tools to face the new challenges driven by the Global Business, its particularities and its dynamics. The basic principles, on which the new Business Models are being achieved in this millennium, mainly deal with globalism, import/export, delocalization (for sales/marketing and/or for manufacturing), managing the risk (of a project, as much as of the penetration of a new Market in a new Country), effectiveness of each unofficial move and official step forward, cost saving (and optimization), logistics and finance.

The Author has set the structure of this Volume according to a specific aim: he just wanted “*things done*” – as they use to say in some operational procedures. Each topic has been developed and explained as to a Student, even if this Student is reasonably a post-graduate, an MBA-Student, a Manager or a Top Manager. During the Author’s past experiences as a Lecturer and a Manager, he has learnt many aspects which pertain to access, success and accomplishing the targets, whatever this might mean for an ordinary *Business-Operator*: Sales targets, HR-Development, Mergers & Acquisitions, Project Management of a big and complex work, EBIT targets. Thus, all these experiences have convinced him that the milestone – for a Manager, to be a winner – is “*his/her professionalism*”. The Professional is a person who is effectively and strongly “*competent*”, which means that he/she deeply and perfectly knows *the basics of his/her role*, the skills required for his/her specific position. The professionalism requires a strong, steady and clear awareness of the basics – in short: this is one of the key-tool, distinguishing a Professional from an Amateur or a generic business operator: *the basics*.

For this reason, the Author has chosen a way for developing all the topics, as if the reader was really “*a Student*”, inspiring all the explanations to a very easy and simple language, but entering in each kind of details that he was (and still is) sure, may help the Manager getting a clear and effective competence, related to that specific subject.

Each subject has been “*broken down*” into specific segments (7), which include – on the whole – the most important and significant aspects dealing with the overall of the topic itself. The following table better explains the structure of the book better than any other word:

Definitions*Keywords**Recap of the topic, usefulness, finalization***Conceptual Framework***Block Diagram (position/classification within Business Flow/Structure)**Layout**Connections with other Business Functions***Core Contents***Academic introduction of the topic, based on specific tools**Theories and/or operational Business Practices related to the topic**Required Managerial Skills***Ways of Managing the topic***Tools**Matrices**Qualitative business report**Quantitative analysis**Decision Making and/or Critical Thresholds***Risk***Definition of the Risk**Nature of the Risk**Possible consequences**Managing the Risk*

Business Case Description

<i>Introduction</i>

<i>Internal and External context (conditions, constraints, limitations, aims)</i>

<i>Issues to be fixed</i>

<i>Story and accomplishment</i>

Final Recap

<i>Pointing out the keypoints</i>

<i>Time required</i>

<i>Related Cost</i>

<i>Recommendations</i>

As long as the Author could do that – with reference to the topic and based on didactic considerations – he has tried to “*protect*” this structure, by extending this pattern to any of the subjects.

At the same time, he has also considered that the Student (and the Manager) needs to be provided with a clear framework, thus he/she can catch in advance the correct functions/departments involved in the issue. For this reason, he has prepared the structure shown below, which sorts the main departments of a generic middle sized Company, thus classified according to a standard criterion:

- DIRECTIVE DEPARTMENTS/FUNCTIONS (dealing with the Governance, the chain of command of the Company, the Shareholder’s Representatives);
- ANCILLARY DEPARTMENTS/FUNCTIONS (coping with all those activities provided “*crosswise*” to all the other Managers, Employees and/or departments/functions). They are also named “*supportive*”;
- FUNCTIONAL DEPARTMENTS/FUNCTIONS (taking care of estimates distributions of the power among the Executives, analysis, critical decisions and audits);
- OPERATIONAL DEPARTMENTS/FUNCTIONS (governing the implementation of processes and production).

In each chapter he has highlighted the cells representing the functions/departments, which are involved and mostly affected by the developed topic. Which means – as a matter of facts – that the highlighted functions are involved “*for sure*” in the topic, but also the other positions/departments might be, in a lesser extent:

		DIRECTIVE	ANCILLARY	FUNCTIONAL	OPERATIONAL
		1	2	3	4
MAIN DEPARTMENT & FUNCTIONS IN COMPANY	A	STRATEGIC PLANNING & GOVERNANCE C.E.O. (CHIEF EXECUTIVE OFFICER)	LEGAL AFFAIRS DEPARTMENT	HSEQ: HEALTH SAFETY ENVIRONMENT & QUALITY DEPARTMENT	PRODUCTION F.M. (FACTORY MANAGER)
	B	MANAGING DIRECTOR S.M.F.R.I. MANAGER	HUMAN RESOURCES MANAGEMENT	R&D: RESEARCH & DEVELOPMENT	SITE MANAGEMENT S.M. / SITE MANAGER
	C	CORPORATE ADMINISTRATION C.A.O. (CHIEF ADMINISTRATION OFFICER)	HUMAN RESOURCES TRAINING & DEVELOPMENT	LOGISTICS MANAGEMENT	MAINTENANCE DEPARTMENT
	D	CORPORATE FINANCE C.F.O. (CHIEF FINANCIAL OFFICER)	MANAGEMENT CONTROL & AUDITING	EXPORT MANAGER FOREIGN ACTIVITIES MANAGER	DISTRIBUTION DEPARTMENT
	E	TECHNICAL DEPARTMENT C.T.O. (CHIEF TECHNICAL OFFICER)	INFORMATION TECHNOLOGY DEPARTMENT C.Ty.O. (CHIEF TECHNOLOGY OFFICER)	SALES & PROMOTION DEPARTMENT S.D. (SALES DIRECTOR and/or SALES MANAGER)	
	F		PURCHASE OFFICER	COMMERCIAL POST-SALES DEPARTMENT	
	G		SUPPLY CHAIN MANAGER	MARKETING DEPARTMENT M.M. (MARKETING MANAGER/DIRECTOR)	
	H		STAFF FACILITIES DEPARTMENT	CORPORATE PROCESSES & PROCEDURES MANAGEMENT	

TOOLS ADOPTED

Based on the above pattern, the topics have been developed with an alternation between text/explanations, and operational tools. These tools ought to be considered such as “*recommendations*”, which means that they precisely represent the standard kit that the Managers and the Business Operators ordinarily use for handling a process, for managing a Team, for finalizing a negotiation or for accomplishing a generic target (and result). The aim is to select and easily explain the most effective and standardized operational gears that the *Standard Global Management* daily uses and applies to Business Operations. Surely several other tools, procedures, patterns and/or matrices exist, and they are useful to ensure the same generic result, but they all are inspired to the ones the Author showed in this Volume, and they may be accounted as “*the baseline patterns*” of that specific matters to which they are related. All these procedures and tools have been explained in a very easy way, for the best understanding of the reader. Several examples of a practical application of these kits, are shown as well. At the end of the reading, the Operator should be quite able to generate a matrix and/or a pattern, and use it for his/her business, customizing the variables and the fields in order to fulfil his/her specific needs.

METHODOLOGY

As soon as the Topic and its relevant Tools have been explained and understood, the Author has proposed a “*Case Study*”, based on a real experience. Each time the situation allowed it, he has also given the exact values and the real location in which the case took place. All the steps related to this Case Study, support the strengthening of the comprehension of the topic, and easily show the reader the real issues a Manager has to handle, manage and fix, in a very limited time and – very often – within a cogent deadline. In the Author’s perspective, the presentation and analysis of a “*Case Study*”, provides the lesson with an operational and practical viewpoint, helping the reader correctly “*enter*” the reality of the job, as he/she is in charge of the Company – in that specific position. This might be considered the real “*Plus*” of the Volume, if compared to similar Market offers in the bookshops.

The Author's real hope is that the reader can clearly catch all the contents developed in the following pages, and soon apply the tools and the logics for running his/her own business speedily and effectively, accomplishing his/her targets.

Thanks for your kind attention.

Now let's start.

Joe Santangelo

September 29th – 2016 (Istanbul)