

**JOE SANTANGELO**

**[BUSINESS IS FIGHT]**  
**GLOBAL MANAGEMENT LECTURES**

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



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# **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 lead 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/9<sup>th</sup> 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:

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



<i>Internal and External context (conditions, constraints, limitations, aims)</i>
<i>Issues to be fixed</i>
<i>Story and accomplishment</i>
<b>Final Recap</b>
<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 A COMPANY	A	STRATEGIC PLANNING & GOVERNANCE C.E.O. (CHIEF EXECUTIVE MANAGER)	LEGAL AFFAIRS DEPARTMENT	HSEQ; HEALTH SAFETY ENVIRONMENT & QUALITY DEPARTMENT	PRODUCTION F.M. (FACTORY MANAGER)
	B	MANAGING DIRECTOR GENERAL 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 patterns, 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 to fulfil his/her specific needs.

**METHODOLOGY**

As soon as the Topic and its relevant Tools have been explained and understood, the Author have 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 29<sup>th</sup> – 2016 (Istanbul)*

## **AUTHOR'S INTRODUCTION**

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**BUSINESS IS FIGHT**

## **BUSINESS IS FIGHT**

*Doing Business*: everybody wants to do Business.

As a general perspective, doing Business means succeeding in defining peculiar goals and objectives, and in accomplishing them all, in a specific timeframe. The achievement of a generic goal occurs in a context, wherein the Company - the legal entity which aims at '*doing Business*' - is forced to compete: no competition, neither goals, nor business shots means nothing at all. Competition is the contest in which the overall legal entities setup their strategies and apply them - one against each other - to overcome the obstacles, to reduce the risks, to overcome the enemy, to succeed.

*Thus: Business is fight, definitely.*

Business is not '*similar*' to a fight: it is just a '*specific kind of fight*'. So all the aspects affecting the performance of each economic operator, ought to be actually considered and explored according to the ancient fighters/warriors doctrines. This is not a joke, this is realism, pragmatism: this is *making things happen* according to a strategic vision.

There is the *agonist* (the Company) and there is its *antagonist* (the Competitor). The final performance (the fight) requires training, setting up strategies, tactics, technical skills to be attained, requires a gym and/or a school for learning and improving several martial procedures, where experts, Masters and Generals, can transfer and assess the belligerent competences of their soldiers; these kind of tangible and intangible features are enclosed in the Company itself: assets, Managers, Team-Leaders, procedures, simulations, procedural patterns, operations. The showground in which the two parties have their fight is the *Marketplace*, in which players and competitors play to achieve their objectives (customers, orders, contracts) in opposite position and mutual contradiction. There is plenty of mental and muscular energy required to be invested and deployed during the fight or the war campaigns, as well as there is a bundle of huge investments and/or commitments, which all the employees and the managers are required to devolve, for attaining the goals. During the fight, the performance of each player might be influenced by the external environment (weather, sun/dark-light, cold, hunger/thirst, altitude, sizes and topography of the area of the fight). This is true for the fighters as well as for the Business: social, technological, environmental, economic, political, legal, ethics and demographic aspects, definitely affect the performance of the Company, in the Marketplace. There are rules, which the fighter needs to know and to respect, as well as there are regulations in the Market (official/unofficial, legal/commercial, social/cultural), requiring a severe fulfilment from all parties. The result of the fight depends on expertise, experiences, technical skills, mental attitudes, strategic visions, availability and effectiveness of weapons, coherent with the kind of fight and with the kind of enemy to be overcome, as well as any player can rely on strategic patterns, assessment/analysis matrices, strategic plans and operational programs, to run the business properly. A serious and wise fighter should know in advance the biggest possible bundle of information regarding his/her enemy, as much as any market player is required to gather official, unofficial and confidential information regarding competitors. Knowledge and information is still one of the most important and effective factor affecting a result, in war as much as in Business reality.

*So Business is Fight, actually.*

Business men - as well as Fighters - work very hard for a lifetime, to get prepared to the worst possible cases and scenarios, and yet this time is not enough to feel comfortable: neither rest nor relaxation is ever allowed and a lack of attention is prohibited

and may lead to tragic failures. Procedures, dynamics, attitudes, habits, visions, tasks and relationships, network and interconnections, tangible and intangible: all is exploited according to rational approaches and attitudes, to get things done.

So Business is Fight: *what kind of fight Business is?* Which are the main players involved in this battle? Which are the relationships rationally and irrationally interconnecting these actors? Which are the weapons? What is the final reward?

Business is a complex kind of fight, and the better (and quicker) the player clears up its attributes and peculiarities in his/her mind, the best and the most effective will be his/her approach and attitude. *Complexity* is not *difficulty*, but only comes from the addition of several factors, combined in a unique scenario, the players have to deal with in order to compete. Thus: a good start consists of '*de-factorizing*' the contest, clearing up all of these '*contaminants*', un-mixing each of them from all the other, and focus the appropriate attention on the particles.

There are basically three levels of fighting, to which three kinds of level of competition are equivalent.

From one side there is '*The Company*', here intended to be the player which '*subjectively*' is aiming at '*doing Business*', entering the Contest (the Marketplace). The first level of fight runs internally - thus - because the Entrepreneur (*physical subjectivity*) needs to set up the internal structure, which will be in charge of competing in the Market on his/her own behalf (*juridical subjectivity*): only a Legal Entity is allowed to operate (Lawfulness). Apart from the standard patterns generically characterising the Company - *Vision/Mission/Commitment, Compliance Package, Organisational Charts, Strategic Business Units patterns, Operational Programs, procedural patterns/matrices/operations, Strategic Business Plan, Supply Chain Management, Value Chain Strategy, Marketing Mix Plan* and several others - which theoretically should combine all internal assets/resources for making them consistently coexist and succeed in the long term, there is always an *internal fight*, by nature, in the Company, as much as in the inner part of any Warrior. The most ancient and expert fighting arts Grand Masters would always teach that '*the main Enemy is Yourself*', and they mean that the first limit of the power is the '*internal limit*' of each one of us. Similarly, the Company will face internal fights unavoidably, amongst all the human resources, in spite all the managers should already be aware of the strategy and of all the interconnections these strategies ought to ensure, amongst the Business Units. The first limit to overcome - then - is the current internal attitude to compete.

On a second instance, there is the Offer, the '*Gross Offer*', consisting of the sum of all the Companies offering a specific set of products/services in the Market; the factors determining the Offer are sometimes called: Players, Competitors, Suppliers, Providers and Bidders, depending on the relevant perspective and kind of analysis. The second competition takes place in the Marketplace, and is between those factors which are included in the same segment (Offer); such kind of rivalry - which is more evident to everyone than anything else, and it is often and wrongly considered *the sole sort of Competition* in Business - is amongst the Competitors: each one of them wants to overcome the other, to ensure his/her supremacy, whose final evidence is the Contract, the Project.

On third and last relevance, there is the Demand, the '*Gross Demand*', which consists of the sum of all the Companies and/or Governmental/Institutional Entities, demanding the same (or similar) kind of goods/services to the Market. Similarly to what

occurs in the Offer perspective, even the Demand companies are competing amongst them, to ensure their own and legitimate Business (their Customers and Market-Share). As for our perspective, we do not mind regarding this *'internal'* competition the Demanders are running, but only its results. Based on their contracts and/or commercial prospects, the Buyers *'need'* to purchase some products/services in the Market, and they are forced to deal with Suppliers, and to do that at their possible best (*high quantities, high quality, effective post-sales services, low prices*). Based on the same kind of different perspectives, these entities are named: Purchasers, Customers, Clients, Tenderers, Buyers. The third kind of competition - to which is never committed enough focus and attention by the Entrepreneurs - takes place in the Marketplace between the Supplier (which has already won its fight against its Competitors), and the Customer. This kind of competition is called *'negotiation'* and can be considered a heavy and energy/time consuming process, requiring high professionalism and expertise, to be properly run and finalised.

In facts, there are three main kind of competition in Business: *organisational, free Market competition, negotiation*.

The objectives any Entrepreneur would like to attain - as any kind of commercial law definition recommends and officially requires - are few figures: *Profitability, Market-Shares, Market-Coverage*, in this specific order. Any other aspect, directly or indirectly somehow belongs to the Company, is nothing but *'a tool'*, *'a mean'* to attain the objective. The last, and most important recommendation we consider *'crucial'* and definitely it affects the enterprises lifetime and approach, is *'sustainability'*: any running business, apart from the Business field in which the Enterprise wants to compete, should be coherent and consistent in the long term. Without sustainability, there can be no real business.

There is a fourth kind of fight, finally, even if most Entrepreneurs and Academics neglect naming it as *'a fight'*, because it is included in the concept of *"Entrepreneurship"* by nature. Last enemy the Company should fight is *"uncertainty"*. Business natural environment is *"uncertainty"*, subtending (average) human ineptness to foresee the future events. Any strong and effective Strategy might be jeopardised by some specific events occurring in the wrong time and in the most unexpected shape and size. That is the reason why some Multinational Companies use to practice *"Scenario's Planning"*, very often.

But *business is uncertainty*, definitely.

This Volume intends to clarify and show few tools which are used by the Entrepreneurs in their competitions. The most used and most effective weapons, applied in the Marketplace worldwide. Even today many Entrepreneurs and Enterprises owe their success to the appropriate implementation of these tools.

They are not only Entrepreneurs, they are Fighters.