



FUNCTIONAL STRATEGIES

Functional strategies attempt to answer the question: “How will we manage the functions of finance, marketing, operations, human resources, and R&D in ways consistent with our international corporate and business strategies?”

FINANCIAL

Deals with such issues as the firm’s desired capital structure, investment policies, foreign-exchange holdings, risk-reduction techniques, debt policies, and working-capital management. Typically, an international business develops a financial strategy for the overall firm as well as for each SBU.

MARKETING

Concerns the distribution and selling of the firm’s products or services. It addresses questions of product mix, advertising, promotion, pricing, and distribution.

OPERATIONS

Deals with the creation of the firm’s products or services. It guides decisions on such issues as sourcing, plant location, plant layout and design, technology, and inventory management.

HR

Focuses on the people who work for an organization. It guides decisions regarding how the firm will recruit, train, and evaluate employees and what it will pay them, as well as how it will deal with labor relations.

R&D

Concerned with the magnitude and direction of the firm’s investment in creating new products and developing new technologies.