

# **KEEGAN INTERNATIONAL DEVELOPMENT INDICATOR KIDI**

- 1. Domestic**
- 2. International**
- 3. Multinational**
- 4. Global**
- 5. Transnational**

6th Edition

## **Warren Keegan Associates, Inc.**

210 Stuyvesant Avenue • Rye, New York 10580

914.967.9421 • fax 914.967.8179

[www.wkainc.com](http://www.wkainc.com) • [info@wkainc.com](mailto:info@wkainc.com)

*Copyright 1994 - 2003 Warren Keegan Associates, Inc. All rights reserved. No part of this document may be reproduced in any form or by any means or incorporated into any information retrieval system, electronic or mechanical, without the written permission of the copyright owner.*

This instrument is designed to allow you to determine the stage of development of your business unit and/or company. In Part One, find the statement that best describes your business unit and/or company and enter the corresponding number on the Answer Sheet in Part Two. To determine the stage of development, follow the scoring instructions in Part Two.

---

**KEEGAN**

**INTERNATIONAL  
DEVELOPMENT  
INDICATOR**

---

**Domestic  
International  
Multinational  
Global  
Transnational**

6th Edition

## **Part One - Audit Questions**

### **1. Orientation**

- 1 Management's attention is limited to the home country.
- 2 Management considers home country (markets, business practices, laws, regulations, customs and ways of living) to be more important and superior to other countries.
- 3 Management believes that each national market is unique and that success is dependent upon adapting to national differences.
- 4 Management focuses on serving global markets by extending, adapting, and creating products for world markets with key assets and resources concentrated in the home country.
- 5 Management recognizes similarities and differences in country business environments and markets and seeks to satisfy stakeholder (customers, employees, society at large, etc.) needs and wants in each country by leveraging, integrating, and coordinating global experience and assets.

### **2. Vision**

- 1 Management's vision is limited to the home country environment.
- 2 Management's vision is a company that leverages its domestic strengths to develop international business and which draws upon global resources to strengthen its position in domestic markets.
- 3 Management's vision is a company made up of strong, autonomous subsidiaries.
- 4 Management's vision is a company dedicated to serving global markets and customers with all key assets in the home country and all key decision makers of home country nationality.
- 5 Management's vision is a company that draws upon global resources and experience to serve global markets by leveraging its globally dispersed but integrated experience and assets.

### **3. Strategy**

- 1 The company's strategic objectives are limited to the home country.
- 2 The company's strategic objectives extend to more than one country, but are focused on creating competitive advantage in the home country market vis a vis home country competitors.
- 3 The company has unique strategic objectives (a so called multi-domestic strategy) for each operating country.
- 4 The company's strategic focus is global market leadership.
- 5 The company's strategic objectives are focused on creating global competitive advantage by thinking global and acting local vis a vis existing and future competition from any country in the world. The company's goal is global leadership in served markets.

### **4. R & D Focus**

- 1 R & D is located in the home country and is focused upon creating products for the home county.
- 2 R & D is located in the home country and is focused upon creating products for the home country and adapting them to other country markets.
- 3 R & D activity is focused upon creating products for the home and host countries. R&D activity located in different countries is not integrated into a global R&D plan.
- 4 R & D activity is focused upon creating products for worldwide national, regional, and global markets. All R & D activity is located in the home country.
- 5 R & D activity is focused upon creating products to serve customer needs in national, regional, and global markets. R&D activity located in different countries is integrated in a global R&D plan.

### **5. New Product Development Policy**

- 1 New products are developed to satisfy home country needs.
- 2 New products are developed to satisfy home country needs initially, and are then adapted to satisfy needs in other countries.
- 3 Different new products are developed to satisfy country market needs in the home and in host countries.
- 4 New national and global products are developed to satisfy market needs. Management responds to global market opportunities with global products and to local market opportunities with local products. New product development is done in the home country.
- 5 New national and global products are developed to satisfy market needs. Management responds to global market opportunities with global products and to local market opportunities with local products. New product development takes place in many countries.

## **6. Communications**

- 1 All communications within the company are in the home country.
- 2 Strategic communication between home country headquarters and rest of world subsidiaries is top down: HQ issues directives, guidelines, instructions, policies etc. and subsidiaries implement. Company voice and data communication network is national. Language of command is home country language.
- 3 Strategic communication between home country HQ and rest of world subsidiaries is bottom-up. Subsidiaries inform HQ of strategic plans and intentions. Company voice and data communication network is national. Language of command is home country language.
- 4 Strategic marketing communications are integrated on a global basis: i.e., top down, bottom up, and lateral. All other communications are top down. Company voice and data communication network is global. Language of command is home country language.
- 5 Strategic business communications are intensive and integrated on a global basis: i.e. top down, bottom-up, and lateral across line management and across all functions. Company voice and data communication network is global allowing easy direct voice and data communication worldwide. Language of command between headquarters and top management of country operating companies is English.

## **7. Structure**

- 1 The company is organized within a single country.
- 2 Business responsibility is divided between home country and the rest of the world. The company has an international division with P&L responsibility which focuses upon opportunities and threats outside the home country. This division is a separate operating company and does not report to business managers in the home country. All business outside the home country reports to a separate international division. There is no integration of business functions, and there is no global product management.
- 3 The company is organized on the basis of country geography. Each country organization reports to a regional headquarters which in turn reports to a world headquarters.
- 4 The company's organization integrates a single function globally, i.e., marketing. All other functions are concentrated in the home country.
- 5 The company's organization integrates product, all functions, and country responsibility globally. The informal structure is a matrix which integrates the company's competence and effort on a global basis.

## **8. Marketing Strategy**

- 1** The company's marketing strategy is limited to the home country.
- 2** The company's marketing strategy is to extend (i.e. to duplicate in target country markets) the marketing mix developed for the home country. There is no global product management.
- 3** The company's marketing strategy is to adapt the marketing mix to conditions in each country. Product, price, promotion, and distribution policy are adapted to meet the unique requirements of each national market. There is no global product management, and marketing in each country is the exclusive responsibility of country managers. There is no integration of the marketing function across national boundaries.
- 4** The company's marketing strategy is to extend, adapt, or create each element of the marketing mix for each country as indicated by the needs and wants of markets. The product mix of the company includes global products developed to satisfy global needs as well as national and regional products. There is global product management, and the marketing function is integrated worldwide. All R & D, engineering, and manufacturing for the world is done in the home country.
- 5** The company's marketing strategy is to extend, adapt, or create each element of the marketing mix for each country as indicated by the needs and wants of markets. The product mix of the company includes global products developed to satisfy global needs as well as national and regional products. There is global product management, and the marketing function is integrated worldwide. Product is designed and sourced from different country locations.

## **9. Human Resource Policy**

- 1** Home country nationals are preferred for all positions.
- 2** Home country nationals are preferred for top positions worldwide. Host country nationals are preferred for all other positions.
- 3** Home country nationals are preferred for world headquarters positions and for top positions in the home country. Host country nationals are preferred for all positions including top positions in each operating country.
- 4** Home country nationals are preferred for top positions worldwide.
- 5** The best person, regardless of nationality, is preferred for all positions, including top positions in operating countries and at regional and world headquarters.

## **10. Manufacturing / Sourcing Policy**

- 1 The company sources exclusively from the home country.
- 2 The company sources from many countries, but prefers to source from the home country.
- 3 The company sources from many countries, but prefers to source from the host country for host country needs, and from the home country for home country needs.
- 4 The company sources from the home country for markets worldwide, or it sources globally for the home market.
- 5 The company sources globally taking into account all relevant factors: delivered cost to the customer, quality, market access, stakeholder importance and values, political and commercial risk, and competitive strategy.

## **11. Configuration of Assets**

- 1 All assets are in the home country.
- 2 Key assets (top management, product management, R&D, finance, key manufacturing and equipment, and key activities) are located in the home country; others are dispersed.
- 3 All assets are decentralized and self sufficient. There is no specialization and much duplication.
- 4 Core assets (R & D, engineering, manufacturing, top management decisions) are centralized in the home country and globally scaled.
- 5 Core assets are dispersed, independently specialized and integrated in a global business plan. For example, R&D, engineering, and manufacturing are dispersed, but specialized by location. The work in each location is part of a global, integrated business plan.

## **12. Role of Country Operating Units**

- 1 There are no operations outside the home country.
- 2 Country operations adapt and leverage competencies created in the home country.
- 3 Country operations exploit local opportunities by adapting to local market conditions.
- 4 Country operations sell and distribute products designed and manufactured in the home country and report market needs and wants to the home country organization.
- 5 Each country operates as a unit in an integrated global system and contributes to the global effort and success by exploiting local opportunities and by sharing experience, insight, and product with other operating units worldwide.

**Part Two - Scoring**

**Scoring Instructions**

Enter the number of the statement that best describes your company or line of business for each of the twelve dimensions listed below. Add your scores and calculate the total (this is your total raw score). Divide your total raw score by the number of questions answered to determine the company and LOB stage of development.

<b>Dimension</b>	<b>Company</b>	<b>LOB / Department</b>
1. Orientation	_____	_____
2. Vision	_____	_____
3. Strategy	_____	_____
4. R&D Focus	_____	_____
5. New Product Development Policy	_____	_____
6. Communications	_____	_____
7. Structure	_____	_____
8. Marketing Strategy	_____	_____
9. Human Resources Policy	_____	_____
10. Manufacturing / Sourcing	_____	_____
11. Configuration of Assets	_____	_____
12. Role of Overseas Operation	_____	_____
<b>A. Raw Score Total</b>	_____	_____
<b>B. Number of Questions Answered</b>	_____	_____
<b>C. Average Score (A/B)</b>	_____	_____

The Stage of Development score for your company and/or LOB / Department is the total raw score divided by the number of questions answered. Calculate the score and enter the number on the reverse side.

Average Company Score

Average LOB / Department Score

**Stage of Development** \_\_\_\_\_

<u>If your score is between</u>	<u>The stage of development is</u>
1.0 ----- 1.5	1. Domestic
1.6 ----- 2.5	2. International
2.6 ----- 3.5	3. Multinational
3.6 ----- 4.5	4. Global
4.6 ----- 5.0	5. Transnational

**Company Name** \_\_\_\_\_

**Stage of Development** \_\_\_\_\_

**LOB / Department Name** \_\_\_\_\_

**Stage of Development** \_\_\_\_\_

**Your Name** \_\_\_\_\_

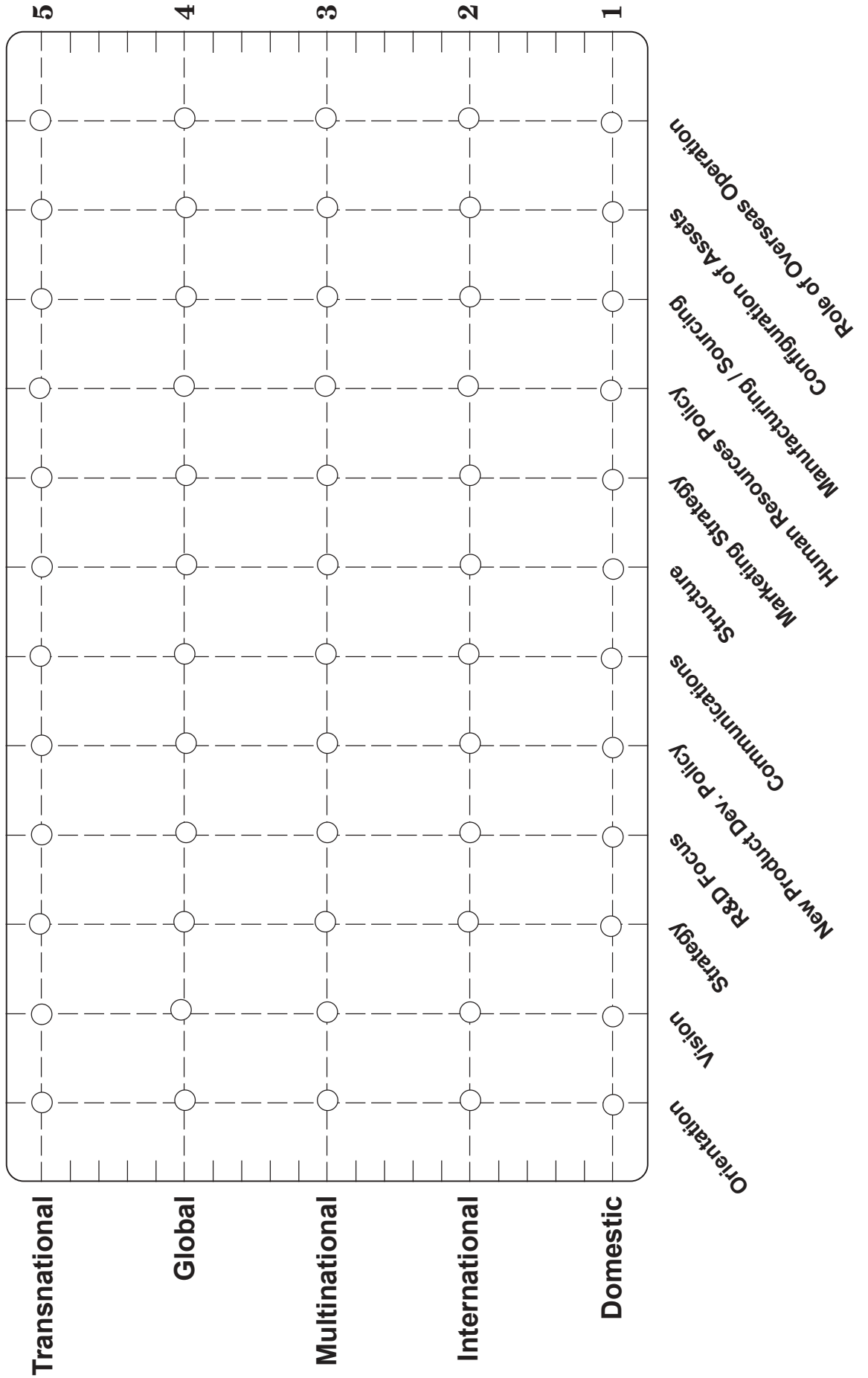
**Job Position / Title** \_\_\_\_\_

**Date** \_\_\_\_\_

**KEEGAN INTERNATIONAL  
DEVELOPMENT INDICATOR**

**Audit Instrument scoring plot**

Transfer your score for your Company and/or Line of Business / Department from page 6 to the chart below by marking the appropriate circles for each dimension and then connecting these circles with a line. Draw a straight horizontal line across the graph with your average score from line C on page 6. Compare each dimension to your average score.



**Part Three- Group Scoring**

**Group Scoring Instructions**

1. Select a group recorder to enter the number of the statement that best describes your company, line of business or department for each of the twelve dimensions listed on page 10 for each member of the group. Total these scores in column "A" and divide the total by the number of team members (column "B"). Record this number in the "Team Score" column.
2. Select a group facilitator to lead a discussion of where the company, line of business or department should be today to maximize its success in the global business environment. Reach a conclusion for each of the twelve listed dimensions.
3. Identify ways to accelerate any recommended changes in the company, line of business or department to reach the target stage of development.

**Organization scored (select one and enter name)**

Company

Line of business

Department

Group name

Date

