

$$\frac{9.5}{10} + \frac{5}{10} + \frac{0}{10} + \frac{8}{10} + \frac{3}{10} = \frac{25.8}{50}$$

## II. Analysis of International Business Model

### A. Economic, political and legal analysis of the trade country.

#### 1. Denmark's Economic System

Ranked as the best country for business in the world, Denmark is the ideal location for Krispy Kreme's international initiative. Denmark has a diverse, mixed economy that promotes a reality of wealth seldom found elsewhere. A mixed economy is an economic system characterized by features pertaining to both capitalism and socialism. Governed by a high degree of regulatory efficiency and supply-demand economics, Denmark experiences steady growth.

→ With a GDP of \$258.7 billion as of 2015 and a GDP growth rate of 1.2%, Denmark has the economic stability and development needed for international endeavors. It also has a low inflation rate of 0.5%, indicating well-maintained monetary stability. Denmark is known for an open market that encourages flexibility, competitiveness, and transparency. It's economy is one of the most open to foreign investment and free trade; the average tariff is only 1% and the country receives \$145.1 billion in foreign direct investment annually. Denmark is also characterized as a high welfare state where the government provides a myriad of benefits and pensions for citizens. For example, Denmark offers free college and subsidized child care. These benefits and pensions come from a tradition of high taxation. The Danish government also interferes in the marketplace when it comes to wages and prices. It often negotiates with labor unions who comprise of 80% of the population when it comes to minimum wage, maximum wage, sick leave, vacation, and work hours. The Danish Economy is characterized by a healthy medium of unrestricted trade and business, but regulated work standards and benefits.

2. Officially called the Kingdom of Denmark, Denmark is ruled by a parliamentary constitutional monarchy. The monarchy acts the head of state, controlling military and foreign affairs, while the prime minister acts as the head of government, running the day to day basis of the country. The political system of Denmark is a multi-party system where several parties are represented in the parliament at one time. Denmark's participation in the European Union sacrifices its sovereignty when it comes to trade and business regulation.

#### B. Trade area and cultural analysis

1. Located in the Scandinavian peninsula, Denmark is a relatively small country with a land mass of 16574 square miles. Surrounded by the Baltic and North seas, Denmark has a small coastline and several islands, which explains the country's flat terrain. Due to Denmark

Spell  
out  
GDP

Use  
Headings

Missing  
#3

Why  
Font  
change

Con

No

Stability?  
Overall  
Effort/  
Support  
To  
Trade?  
Business?

Katie  
Rebecca

Being surrounded by the ocean, its climate is consistently temperate characterized by mild winters and cool summers. The majority of Denmark is occupied by Danes with little ethnic minority or deviation. The majority of citizens share a linguistic and religious characteristics. 90% of Danes speak Danish and English. 80% of Danes are associated with the Lutheran Church of Denmark. The Evangelical Lutheran Church of Denmark is the prominent religion in the country with 86% participation of all Danes. At birth, all Danes are admitted into the Church of Denmark which handles birth, death, and marriage certificates. Although Denmark is heavily associated in Christianity, it is in reality a secular country. Denmark has witnessed substantial demographic changes. Growing numbers of divorces and cohabiting couples, postponement of marriage and births, and decreasing birth rates have characterised the development in family relations since the 1960's. Additionally, the majority of Denmark's population live in urban areas. As of 2015, 88% of the population is living in an urban area, while the rural population makes up 12.32% of the total population in Denmark and is currently declining at a rate of 0.83%. Danes constantly negotiate and change their culture in response to contact with people and items from other countries. Many Danes seem to have a strong national identification, although differences exist and a "Danish community" may be more imagined than real in regard to culture and traditions. Among the traditional secular celebrations is "Shrovetide," which is held in February and features children dressed in fancy costumes going from house to house singing songs and begging for candy and treats. Krispy Kreme's breadth of appeal extends across all major demographic groups. The product is affordable and competitive with other firms' value menu prices; customers can also purchase doughnuts by the dozen. The Krispy Kreme name and brand are tied to the "one-of-a-kind taste" that generations of customers have grown to love. The Hot Doughnuts Now sign is a strong impulse purchase generator and another component of the strong corporate identity. In these characteristics, Krispy Kreme is similar to western fast food chain In-N-Out, which enjoys fierce customer loyalty.

Explains

Use Words  
Competitive Advantage  
To Signal Switch In Topics

2. An analysis by the World Bank ranks Denmark as the easiest place in Europe to do business for the second year in a row. Denmark ranks number five in the world among 185 countries. Companies looking for a smooth way to set up and run their new business should choose Denmark as their destination. The World Bank ranks Denmark as the easiest place in Europe to do business in their newly released "Doing Business

What Factors led to this ranking? Be Concise.

2013' index which is the tenth in a series of annual reports benchmarking the regulations that enhance business activities and those that constrain it. Denmark consistently ranks very high on the World Bank's Doing Business index that through inputs of a network of more than 9,000 local experts compares business regulation in 185 economies in the world, and this year only Singapore, Hong Kong, New Zealand and the US are ahead of Denmark. Today's ranking of Denmark by the World Bank supports the fact that Denmark has one of the most efficient and dynamic business environments in the world. The Danish government continuously focuses on improving conditions for foreign companies, and this confirmation of last year's top ranking reveals that Denmark is a very stable base for foreign companies because of their transparent and efficient public government services. Apart from the ease of setting up and running a business, Denmark offers one of the world's most flexible labour markets thanks to a unique "flexicurity system" which allows business to quickly reorganize their business and respond to new opportunities or challenges. Not least in today's fast changing and unpredictable business environment, the businesses located in Denmark are in a very good position to adapt and succeed.

Doesn't  
Flow  
Seems  
Copied

↳ Most of this seems scattered  
Not student friendly language

What is presented could be  
paraphrased into simple language  
2-3 sentences would advise that.  
As is, it's wordy, repetitive.

Rubric Grading Scale for Each Section

Group: Kate: Rebecca

IBP: Demark

<p>Section II, Part A A. Economic, political and legal analysis of the trading country</p> <p>Sources: CIA World Factbook: Economy The Global Economy Heritage Foundation Doing Business In: <a href="http://www.doingbusiness.org/">http://www.doingbusiness.org/</a> Export.gov <a href="http://export.gov/worldwide_us/index.asp">http://export.gov/worldwide_us/index.asp</a></p>	<p>Examples of Economic Impactors:</p> <p>GDP Labor Force Human Development Public Debt Taxes &amp; Other Revenue Exports Imports Industrial Production Growth Rate (For manufacturing businesses)</p> <p>GDP/Per Capita Labor Force by Occupation Population below poverty line Inflation Rate Exchange Rates Exports – Commodities Import – Commodities Import – Partners Debt- External Export – Partners Import – Partners (For manufacturing businesses)</p> <p>Agriculture Products Unemployment Rate Budget Debt- External Export – Partners Import – Partners (For manufacturing businesses)</p> <p>Industries that are prevalent in your IBP Country Household income or consumption by % share Distribution of Family Income Market Value of Publicly Traded Stocks Commercial Bank Primary Lending Rate</p>	<p><b>A Grade</b> <b>(Formal: 13.5 - 15 pts)</b></p> <ul style="list-style-type: none"> <li>Type of Economic System Used in IBP Country is Stated</li> <li>An understanding of what that type of economic system means is displayed</li> <li>Advantages / disadvantages of operating in this type of economic system are given</li> </ul> <p>Multiple Economic Impactors are stated with supporting evidence as to why those impactors matter given.</p> <p>GDP/capita is included</p> <p>Comparisons to IBP Country &amp; USA are given so that reader understands context better.</p>	<p><b>B/C Grade</b> <b>(Formal: 10.5 – 13.49 pts)</b></p> <ul style="list-style-type: none"> <li>Type of economic system is stated but not explained.</li> <li>Limited amount of advantages &amp; Disadvantages given</li> <li>Only a couple Economic Impactors are provided</li> <li>Economic impactors provided are not explained in depth &amp; limited evidence relating to why they are important to your IBP country is given</li> </ul>	<p><b>D/F Point Grade</b> <b>(Formal: Below 10.5 pts)</b></p> <ul style="list-style-type: none"> <li>Type of economic system is copied from internet with no understanding of what it means given</li> <li>No advantages / disadvantages of system provided</li> <li>Minimal to no economic impactors are provided.</li> <li>Paper does not explain economic factors that affect a foreign company expanding to their IBP market</li> <li>Facts are given to fill space with no understanding of their impact</li> <li>FDI is either unstated, inaccurate, or unexplained.</li> <li>Student displays minimal to no understanding of FDI concept.</li> </ul>
<p><i>-Mixed</i></p> <p><i>258.7 Billion, 1.2% Growth</i></p> <p><i>INFLATION 1/2.</i></p> <p><i>Avg. Tax 13</i></p> <p><i>145.1 Billion</i></p> <p><b>Level of Foreign Direct Investment</b></p>	<p><input checked="" type="checkbox"/></p>	<p><input checked="" type="checkbox"/></p>	<p><b>Total Grade</b></p>	
<p>Rough Draft Turned in on Time</p>	<p>Due Date: <u>October 25, 2016</u>    Yes    No</p>	<p>Turned in late on: _____ / 10 pts</p> <p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>		

4.2 Key Terms / Concepts from Textbook:

- You are responsible for taking notes on the four economic systems stated (Market, Mixed, Planned, & Traditional)
- Key Terms: Political Economy, Concept of Economic Integration, Customs Union, Common Market, FTA
- Need to know Free Trade Agreements: NAFTA (Pros/Cons), COMESA, CACM, ASEAN, CARICOM, CAFTA, FTAA (Pros / Cons)

**Section II Part A**

**2. Describe the trading country's governmental structure and stability, how the government controls trade and private business**

Sources:  
CIA World Factbook: Government  
The Global Economy (GE)  
<http://www.theglobaleconomy.com/>  
The Heritage Foundation (HF)  
<http://www.heritage.org/index/>

**A Grade**  
(Formal: 18 – 20 pts)

**B/C Grade**  
(Formal: 14 – 17.9 pts)

**D/F Point Grade**  
(Formal: Below 14 pts)

*Pal Montoya Govt. Mex*  
**Government Structure**

*GM*

**Government Stability**

**Government control over trade**

**Governments control over private business**

**Total Grade**

**Rough Draft Turned in on Time**

- Type of Government that controls country is stated & explained
- Example: The USA is a Federal Republic with a strong Democratic tradition.
- Political Pressure Groups & Leaders
- Who is the head of your IBP government
- Elections / Appointment Process is explained
- Example: Presidents in the United States are elected to 4 year terms with a max of 8 years in which they can serve.
- An overview of the last 50 years is given. Any major changes to how that country operates (Russia switching from Communist to
- Level of corruption is documented / explained
- Level of Political Risk is given & a comparison to previous years; as well as, other countries is documented
- Level of Political Stability (GE)

*X*

- Type of Government that controls country is stated but not explained
- Current political regime is not listed
- No background information into how your IBP country structures its political process is explained.

- Government stability is hinted at but not explained. Example would be stating that presidents are elected every 4 years in the USA but no timeframe for how long that system has existed is given.
- No examples or acknowledgement of recent history is provided
- Corruption stats are given but no supporting evidence or world rankings given to add clarity
- Level of Political risk is only stated

*X*

- Government stability is not provided
- No examples of former political process or systems are given
- Level of Corruption is either not provided or incorrect
- No level of political risk is given

- International organization participation (CIA)
- Political Globalization (GE)
- Level of government involvement relating to free trade is given(HF)
- Trade Balance (Export)

- How active & supportive the government is in regards to free trade is stated but no evidence is provided to prove statement
- Level of globalization is not mentioned or explained

- No stats or evidence is given explaining how controlling the government is in regards to how that country conducts trade
- Paper displays a very limited or inconclusive portrayal of government when it comes to its stance on trade

- Level of Business Freedom (Taxes & Process to start a business)
- From reading this section the viewer has a clear understanding of how your IBP country views privatization of business.
- Research State Owned Enterprise for ideas.
- Ex: Are privately owned industries, companies, corporations encouraged or are they state owned.

- Level of Business Freedom is not discussed
- A vague understanding of how government regulates private business is given with little understanding of how it impacts their product/company specifically

- Paper only briefly discusses governments role in business
- Paper lacks statistical evidence & analysis
- No supportive evidence is given to prove how that government regulates private business.

Due Date: October 25, 2016

Yes

No

Turned in late on:

/10 pts

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- **4 Concepts from book:** Be able to compare & contrast the four main types of political systems: Democracy, Republic One-Party States, & Theocracy.
- Be able to compare & contrast Statutory & Case Law. Understand the importance of Contract Law when conducting business overseas.
- Political Systems, Political Risk, Political Economic Movement, Corruption & Which Countries have high/low levels of it, Sustainability, & Kyoto Protocol

**Section II Part A**

3. Describe laws and/or governmental agencies that affect your business/product/service [i.e., labor laws, trade laws (U.S.A. and/or Canada and foreign)]

<p><b>Sources:</b>  <a href="http://www.heritage.org/index/">http://www.heritage.org/index/</a>  <b>List of FTAs</b>          Asia: <a href="https://artc.adb.org/ta-country">https://artc.adb.org/ta-country</a>          USA: <a href="https://ustr.gov/trade-agreements/free-trade-agreements">https://ustr.gov/trade-agreements/free-trade-agreements</a>          Agencies:  <a href="https://en.wikipedia.org/wiki/State-owned_enterprise">https://en.wikipedia.org/wiki/State-owned_enterprise</a></p>	<p><b>A Grade</b>  <b>(Formal: 13.5 – 15 pts)</b></p>	<p><b>B/C Grade</b>  <b>(Formal: 10.5 - 13.49)</b></p>	<p><b>D/F Point Grade</b>  <b>(Formal: Below 10.5)</b></p>
<p><b>Laws &amp;/or Govt. Agencies that Impact your product</b></p>	<ul style="list-style-type: none"> <li>• Paper provides an overview of agencies that impact a company / product in their IBP Country. At least two agencies are referenced. Example: Federal Trade Commission in the USA</li> </ul>	<ul style="list-style-type: none"> <li>• Paper provides a very limited scope of agencies that impact a product traveling overseas</li> <li>• Only agencies are mentioned with no real detail has to how they operate given.</li> </ul>	<ul style="list-style-type: none"> <li>• No government agencies impacting your IBP country are stated</li> <li>• An overview of laws that limit or restrict businesses in your IBP country are not provided</li> </ul>
<p><b>Labor Laws</b>  <i>Who impacts Restraints?</i></p>	<ul style="list-style-type: none"> <li>• Labor Freedom (Heritage &amp; Global)</li> <li>• Regulatory Efficiency (Heritage)</li> </ul>	<ul style="list-style-type: none"> <li>• Labor laws that impact the workforce are stated but not explained. A vague understanding of how that law impacts a business is provided.</li> </ul>	<ul style="list-style-type: none"> <li>• Labor laws are listed but only minimally explained or not listed at all</li> </ul>
<p><b>Trade Laws</b></p>	<ul style="list-style-type: none"> <li>• Trade Freedom: Actual score, world ranking, &amp; Comparison to the United States</li> <li>• Open Market Description (Heritage)</li> <li>• Free Trade Agreements (ABD)</li> </ul>	<ul style="list-style-type: none"> <li>• Only trade agreements are listed.</li> <li>• Limited understanding of how trade laws impact imports &amp; exports</li> </ul>	<ul style="list-style-type: none"> <li>• No trade laws or agreements are referenced</li> <li>• Paper does not provide a basic understanding of how trade impacts your IBP Proposition</li> </ul>
<p><b>Total Grade</b></p>	<p>Due Date: <u>October 25, 2016</u> Yes</p>	<p>No Turned in late on: _____</p>	<p>_____/10 pts</p>
<p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>			

**Key Terms from 4.1**

- Compare & Contrast Developed Countries (First World), Newly Industrialized Countries (Second World), & Developing Countries (Third World)
- Income Distribution Terms & Concepts: Lorenz Curve, Line of Absolute Equality, Line of Absolute Inequality, & Education (2 things education suggests)
- Population Concepts: Population Pyramid, Social Class, & Class Mobility

Source(s): CIA World Factbook: People & Mobility Section

**Section II Part B: Trade area and cultural analysis**

1. Geographic and demographic information, important customs and traditions, other pertinent cultural information, competitive advantages and disadvantages of the proposed product and/or service

	<b>A Grade (Formal: 13.5 – 15 pts)</b>	<b>B/C Grade (Formal: 10.5 - 13.49)</b>	<b>D/F Point Grade (Formal: Below 10.5)</b>
<b>Geographic Information</b>	<ul style="list-style-type: none"> <li>Climate, Terrain, Natural Resources, Natural Hazards that may affect your company, &amp; environment.</li> <li>Information relating to transportation of goods: airport, rail port, &amp; trucking stated &amp; explained</li> <li>Population pyramid is broken down so that the most largely populated groups are identified &amp; targeted (Gender/Age)</li> <li>Median Age</li> <li>Infant Mortality Rate</li> <li>Birth Rate</li> <li>Population growth rate</li> <li>Ethnic groups with corresponding %'s (race)</li> <li>Education Attainment (Education)</li> <li>Social Class with average median income</li> <li>% living below the poverty line</li> </ul>	<ul style="list-style-type: none"> <li>Factors associated with geography are listed but their value is not explained</li> <li>Limited to No discussion of how transportation is impacted given</li> <li>Only the largest population groups are identified</li> <li>No method of distinction between gender groups</li> <li>Factors such as median age &amp; birth rate are not provided</li> <li>Growth rate of population is stated as a statistic but its relevance is not explained</li> <li>Levels of income are either not provided or only hinted at</li> <li>Levels of education are not clear</li> </ul>	<ul style="list-style-type: none"> <li>Limited discussion of population factors given.</li> <li>Example: Reader may see a picture of a population pyramid with no explanation of that pyramid given</li> <li>Factors such as income, age, &amp; education levels are missing or given in estimates</li> <li>No breakdown of gender differentiated given</li> </ul>
<b>Demographic Information</b>	<ul style="list-style-type: none"> <li>Communication: Verbal &amp; Nonverbal</li> <li>Gift Giving v. Bribery</li> <li>Fashion / Dress</li> <li>Manners, Attitudes, Values</li> <li>Meeting basics / Negotiation Norms</li> <li>Religion</li> </ul>	<ul style="list-style-type: none"> <li>Some cultural traditions are given but not enough to provide an in-depth understanding of how that country functions.</li> <li>No customs / traditions are mentioned that related directly to the workplace</li> <li>Breakdown of religion is given but little to no explanation is given</li> </ul>	<ul style="list-style-type: none"> <li>Very little reference to customs &amp; traditions is provided</li> <li>The overall attitude &amp; values of the country are either limited in scope or missing altogether</li> <li>Religion is only mentioned as a factor but not explained</li> </ul>
<b>Important Customs &amp; Traditions</b>	<ul style="list-style-type: none"> <li>Geert Hofstede's Model</li> <li>High or Low Context Culture</li> </ul>	<ul style="list-style-type: none"> <li>Hofstede's model is given in picture format with no explanation provided as to what it means</li> </ul>	<ul style="list-style-type: none"> <li>Limited to no added information given relating to your IBP country's culture</li> </ul>
<b>Pertinent Cultural Information</b>	<ul style="list-style-type: none"> <li>Advantages &amp;/or disadvantages your company will encounter are clearly stated. With supporting evidence given</li> <li>Examples of Advantages: American Made Brand, Lower Costs, Fulfills market need</li> <li>Examples of Disadvantages: Added costs, transportation delays, government influence, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Advantages &amp;/or disadvantages your company will encounter are clearly stated. Limited supportive evidence provided</li> </ul>	<ul style="list-style-type: none"> <li>Competitive advantages &amp; disadvantages are hinted at but not clearly stated as such.</li> <li>No evidence or statistical data is given explaining advantages that exist.</li> </ul>
<b>Competitive Advantages &amp; Disadvantages</b>	<p style="text-align: center;"><b>Total Grade</b></p>		
<b>Rough Draft Turned in on Time</b>	<p>Due Date: <u>October 25, 2016</u>    Yes</p> <p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>	<p>No    Turned in late on: _____</p>	<p style="text-align: right;">/10 pts</p>

**Section II Part B: Trade area and cultural analysis**

2. Analysis of the potential location—importance and requirements of each trade document required by the U.S.A. and/or Canada and the country of choice (Export & Import Documentation (GE))

<p><b>Helpful Sites:</b>  <a href="http://www.theglobaleconomy.com/">http://www.theglobaleconomy.com/</a>                      (Other Indicators Sections)</p>	<p><b>A Grade</b>                      (Formal: 13.5 – 15 pts)</p>	<p><b>B/C Grade</b>                      (Formal: 10.5 - 13.49)</p>	<p><b>D/F Point Grade</b>                      (Formal: Below 10.5)</p>
<p><b>Analysis of the Potential Location:</b>  <a href="http://www.doingbusiness.org/rankings">http://www.doingbusiness.org/rankings</a></p> <p><b>Doing Business in IBP Name Example: Germany:</b>                      Country Commercial Guide  <a href="http://www.export.gov/ccg/index.asp">http://www.export.gov/ccg/index.asp</a></p> <p><i>HS For Doing Business</i></p>	<ul style="list-style-type: none"> <li>The selection of your IBP country is proven effective based on statements made in this section</li> <li>Examples of information that could be presented in this section include: Country is geographically in a good region for transportation (airport or seaport nearby), climate assists with need/production of product, there is an adequate level of capable employees available, etc..</li> <li>Trade between your IBP country and the United States is easy &amp; encouraged</li> <li>Paperwork required for trade is minimal or easy to complete.</li> </ul>	<ul style="list-style-type: none"> <li>The selection of your IBP country is proven effective</li> <li>Factors associated with the potential of your IBP Country's location are stated and explained but only 1 or 2 reasons are given to support.</li> </ul>	<ul style="list-style-type: none"> <li>The selection of your IBP country seems viable but a clear rationale for how the actual location of your country is beneficial is not given.</li> <li>Supporting evidence of location selection is minimal to none.</li> </ul>
<p><b>Required Trade Documentation between IBP Country &amp; United States</b></p> <p><b>Common Trade Documents:</b>  <a href="http://www.export.gov/logistics/eg_main_018121.asp">http://www.export.gov/logistics/eg_main_018121.asp</a>                      Bill of Lading (B/L), Airway Bill (AWB), Certificate of Origin, Certificate of Content, Letter of Credit (LC), &amp; Insurance Policy Certificate</p> <p><b>American Free Trade Agreements:</b>  <a href="http://www.export.gov/FTA/index.asp">http://www.export.gov/FTA/index.asp</a></p>	<ul style="list-style-type: none"> <li>Specific trade documents between your IBP country and the United States are referenced if applicable</li> <li>Whatever paperwork a company would need to transport items from the United States to your IBP country are given &amp; explained.</li> </ul>	<ul style="list-style-type: none"> <li>Only 1 or 2 examples of trade documents are given and purpose of such document is explained.</li> <li>Paper does a good job explaining the form needed, why it is needed, and how it is used; however, it only does that for 1 or 2 forms of documentation.</li> </ul>	<ul style="list-style-type: none"> <li>No mention of trade documentation or a very generic attempt at trade documentation is presented.</li> <li>Example would be paper simply states a certificate of origin and bill of lading would be required.</li> </ul>
<p><b>Rough Draft Turned in on Time</b></p>	<p><b>Total Grade</b></p> <p>Due Date: <u>October 25, 2016</u> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Turned in late on: _____/10 pts</p> <p><i>*Informal / Effort Grade. Any rough draft submitted with good intent will earn full credit. 2 points deducted for each day it is late.</i></p>		

Comments: