



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

INTERNATIONAL TRADE OPERATIONS

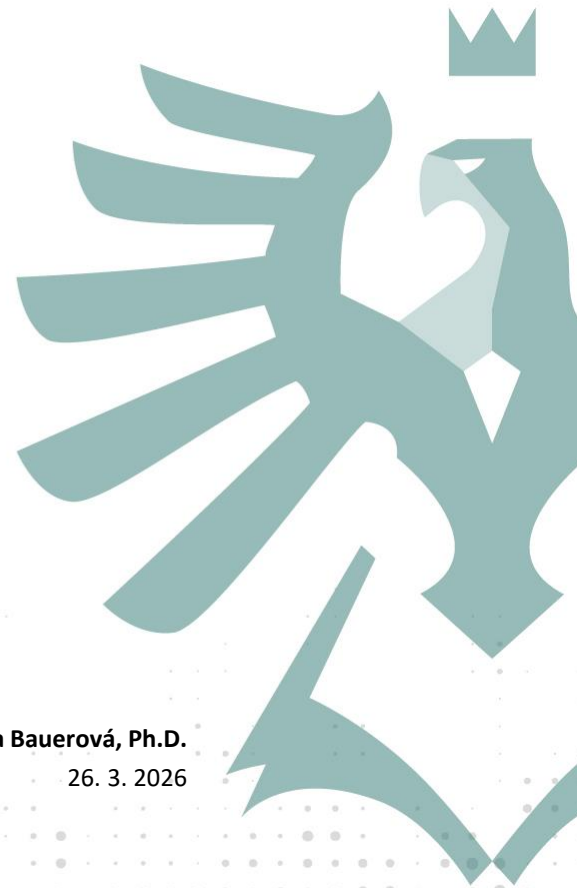
Lecture No. 3:

- The role of risk in trade operations
- The risk management process
- Processes used in planning and managing sales
- Payment terms and financing of international trade

www.slu.cz/opf/cz

Ing. Radka Bauerová, Ph.D.

26. 3. 2026



CONTENT OF THE LECTURE

- ☼ Risk in trade operations and risk management
- ☼ Types of risk and risk insurance in international trade
- ☼ Economic importance and legal framework of risk insurance
- ☼ The risk management process and risk matrix
- ☼ Sales planning and management in foreign and FDI markets
- ☼ Price formation and price negotiation in international trade
- ☼ Price calculation, price research, and purchasing power





RISK

THE OPPORTUNITY?

THE PROBLEM?

THE ROLE OF RISK IN TRADE OPERATIONS

Risk, as a concept, is defined as **the probability of loss** (Merriam-Webster, 1984).

“The impact of a currently unknown event on the business and a potential problem” (Sadgrove, 2015, s. 3).

The risk management standard ISO 31000 defines risk as *“the effect of uncertainty on objectives”* (ISO 31000).



RISK LEVELS



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- A number of risks are **uncontrollable risks** (political, economic, commercial, fiscal and other measures of the state, internal political and global situation, influences of the global economy, etc.), a number of other risks – **can be influenced by the manager** – to reduce or partially eliminate. (Smejkal a Rais, 2010)
- Risks range from **low or negligible to extreme**.
- By clearly defining the category levels, the company quickly understands the assessed **probability of the occurrence of risks** to its business activities (Blyth, 2008)
- Risks can be divided into the following four levels (Blyth, 2008):

Low risk

Medium risk

High risk

Extreme risk

LOW RISK



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- Risk is unlikely to occur
- **No special or costly measures should be put in place, other than standard company policies and procedures.**
- A detailed risk management plan may not be necessary.
- However, **regular or annual risk training is helpful.**

Examples within international business operations:

- **Small-scale fluctuations** in exchange rates
- **Delays in the delivery** of goods due to common logistical complications
- **Minor administrative errors** (minor errors in documentation)
- **Slight fluctuation in shipping prices**
- **Accidental damage to goods during transit** (already covered by conventional insurances that are a standard part of international trade)
- **Risk of non-compliance with cultural norms** (unlikely with standard training of employees on business practices in the destination country)



MEDIUM RISK



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- It is possible that the risk will arise.
- Risk mitigation measures should reflect the costs and impacts on society and business activities captured in **the risk management baseline**.
- **Annual training of lower management and the establishment of crisis management project groups** will be beneficial to the company as part of crisis planning measures.

Examples within international business operations:

- **Failure to comply with payment discipline by business partners**
- **Instability of the political environment in the destination country**
- **Significant exchange rate fluctuations**
- **Increased logistical complications** (port congestion, strikes, transport delays due to lack of transport capacity)
- **Breach of supply contracts** (delivery of products with delay, lower quality...)
- **Cyber attacks on business systems** (data leakage of business partners or transactions)
- **Risk of losing important employees** (key managers for international operations)



HIGH RISK



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- It is assumed that the risk is likely to occur.
- It is recommended to set **an adequate budget for the development of policies and procedures** against the likelihood of risk and consequent impacts **as part of a detailed risk management plan.**
- Thorough **six-month management training** will support the organization in responding more effectively to a potential crisis event.

Examples within international business operations:

- **Collapse of a key supply chain** (the probability that a major supplier of goods or raw materials will stop supplying due to a financial collapse, political situation or natural disasters)
- **A sharp change in customs and trade conditions** (e.g. trade wars – high tariffs, embargoes or export restrictions)
- **Non-compliance with regulatory requirements** (non-compliance between environmental or health standards in the destination country)
- **Cyber attacks with serious impacts** (leakage of sensitive data, financial fraud, ransomware)
- **Political or economic destabilization of a key market** (outbreak of civil war, hyperinflation, significant devaluation of the currency)
- **Violation of trade sanctions or embargoes** (can lead to high fines or legal consequences)
- **Major natural disasters or pandemics**



EXTREME RISK



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- **It is certain that the risk will occur at a certain stage of the project's lifespan or the consequences are so serious that the business activity is terminated.**
- **The company should consider whether to continue its operations or whether to recognise its impacts and responses as part of a detailed risk management plan.**

Examples within international business operations:

- **Outbreak of war or armed conflict in the destination country** (market disruption, disruption of logistics chains, threat to employees)
- **Total economic collapse of the target country** (hyperinflation, banking crisis, complete collapse of the financial system)
- **Serious violations of international trade regulations** (inadvertent business with companies on sanctions lists – extreme fines, legal consequences and reputational risk)
- **Destruction of key infrastructure due to a natural disaster** (earthquake, tsunami, massive floods that make it completely impossible to continue business activity in the area)
- **Global pandemic and long-term border closures**
- **Persistent infringement of intellectual property rights or technological espionage**
- **Total loss of a key market or customer** (a customer who makes up a substantial part of the company's turnover terminates the cooperation)

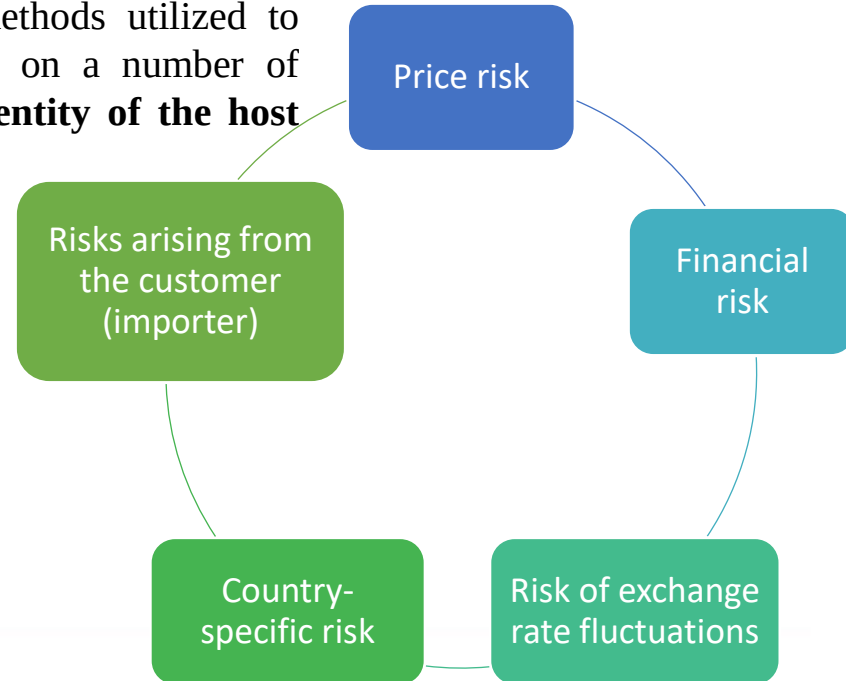


Risks of International Business Transactions

The numerous risks associated with international business transactions vary depending on the **method of transaction**, such as **trade, licensing, or direct investment**. They will also vary depending on what countries the business parties are **located** and in what country the **transaction is to be performed**. The types of risks that an international businessperson faces, and the methods utilized to minimize such risks, will vary from transaction depending on a number of variables. Two of the most fundamental variables are the **identity of the host country** and the **type of transaction**. (DiMatteo, 2016)

In general, the level of risk escalates in the three basic ways of conducting international business, **from exporting-importing to licensing, and from licensing to foreign direct investment**.

A successful international businessperson is sophisticated and able to **recognize risks and take the appropriate precautions**.



PRICE RISK



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- It is essential for a novice exporter of goods to include in its price **all the additional costs** of international trade.
- A domestic company cannot assume that the corresponding price of its goods on the domestic market **is a corresponding price for the foreign market**.
- Depending on the type of transaction and the trade term inserted into the contract, there will be a **number of costs specific to international sales that will need to be included in the price charged for the goods**.

What is price escalation?

What trade clauses will
affect the price?



What trade clauses will affect the price?



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

The amount of the price in an international purchase contract is fundamentally influenced by:

- ☼ **Delivery Clause** (Incoterms) – determines the scope of costs and risks of the seller,
- ☼ **Payment clause**– The method and time of payment affects the risk of non-payment and financial costs,
- ☼ **Currency and price clause**– Distribution of exchange rate and inflation risk between the parties,
- ☼ and **clauses on quality, packaging, delivery time and discounts**, which change the cost of filling.

The more costs and risks the contractual arrangements impose on the seller, the higher the price he usually demands.

FINANCIAL RISK



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- The exporter must check the **creditworthiness of the importer** (Dun & Bradstreet), **the rules and regulations** of buyers in the foreign country – the problem of the balance of payments (some countries limit payments only in free foreign exchange or in Asian dollars from countries that participate in the Asian Clearing Union).
- The level of risk in financial matters is greater in international trade and **litigation is a costly process**, so the exporter must proceed with caution when choosing the method of receiving payments from foreign buyers.
- Financial risk is associated with credit risk associated with non-collection of receivables.

How companies can protect themselves against credit risk when expanding into international markets?



Dun & Bradstreet Creditworthiness Report Prices Available [here](#)

RISK OF CURRENCY FLUCTUATIONS



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- Risk that operations and profitability may be affected by changes in exchange rates between currencies.
- International traders can have their risk covered by authorized foreign exchange dealers (forward currency coverage)).

Example:

If an exporter trades in Indian rupees and the proceeds from sales come in free foreign exchange such as dollars, euros or pounds as per the government's policy, they must be extremely careful in considering the depreciation or appreciation of the Indian rupee.

If the rupee appreciates, the exporter fears that he will receive less Indian rupees for his trade transactions, and if the rupee depreciates, the exporters receive more Indian rupees due to the exchange rate difference against the invoiced currency.



COUNTRY RISK



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- Risks are associated not only with the importer, but also with the country in which the importer is located. In the event of economic turbulence (crisis), **foreign exchange restrictions may occur.**
- Other risks are import **restrictions, the collapse of banking systems or importer countries.** There may be war, insurrection, fighting, major terrorist and cyber attacks or civil unrest in the importer's country → cause the country's financial and banking system to collapse and thus make it impossible to make payments for a certain period of time.
- Another risk is associated with **natural disasters** (tsunamis, earthquakes, volcanic eruptions, droughts or floods) → also causes delays in making payments by the importer.

OECD Country Risk Classification [here](#)

The OECD country risk classification evaluates the risk level of individual countries for officially supported export credits. The rating scale ranges from 0 (lowest risk) to 7 (highest risk). Countries marked with “–” are not classified, rather than being assessed as low-risk.

Which countries have experienced a deterioration in the OECD risk? What could be the reasons?

RISKS ARISING FROM THE CUSTOMER (IMPORTER)



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- It is necessary to check the **solvency** of the importer (how long the importer has been in business, what kind of trade or businesses he has conducted in the past, the importer's relationships with his suppliers, banks and the government, check whether he respects the laws, rules and regulations of his country, whether he is honest and respects the rules and regulations of other countries).
- Checking the **creditworthiness** of the importer – beware has nothing to do with the creditworthiness of the country, because currently unethical behavior occurs even in low-risk countries.

After verifying solvency and creditworthiness, the company must take the necessary measures to cover the risks – **insurance coverage** (even if the importer is solvent and creditworthy, the exporter may be exposed to risks beyond his control).



RISKS OF BUSINESS OPERATIONS IN DEVELOPING COUNTRIES



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

SELLING GOODS TO NIGERIA

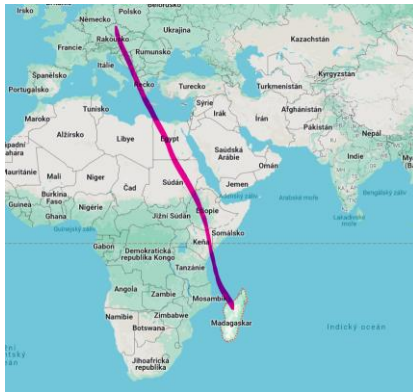
- In 2016, Nigeria was ranked at the top of the **Corruption Index** (Transparency International). There are common bribes to make a deal.
- To understand the risks of doing business in this country, it is wise to order a **policy risk report from a professional risk assessment company**. It is advisable to contact the Ministry of Foreign Affairs for information. It is necessary to **check creditworthiness and references**.
- The Nigerian **currency is not convertible** into hard currency such as the US dollar, the European euro, or the English pound. (the reason is the repatriation of these currencies from the country) → counter-trade
- Any export to such a country must be backed by a confirmed **letter of credit** from a reputable international bank.



RISKS OF BUSINESS OPERATIONS IN DEVELOPING COUNTRIES

A ONE-POINT ASSIGNMENT!

Name the main risks of conducting trade operations between the Czech Republic and Madagascar (developing agricultural state).



The shortest distance (as the crow flies) is between Prague and Madagascar 8,425.96 km

Population: 31 million (Source: Businessinfo.cz)



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ



RISKS OF BUSINESS OPERATIONS IN DEVELOPING COUNTRIES



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARLOVĚ

Name the main risks of conducting trade operations between the Czech Republic and Madagascar (developing agricultural state).

The main risks include:

- The fall of the government – high risk
- Unclear legal environment/frequent changes in legislation – high risk
- Insufficient infrastructure – medium risk
- Cyclones/dry seasons – medium risk
- Payment risk - ?
- Exchange rate loss risk – medium risk
- High Corruption – Medium Risk (Opportunity?)
- Risk of theft of goods





RISK ANALYSIS &

RISK

RISK MANAGEMENT

IDENTIFY

ASSESS

MITIGATE

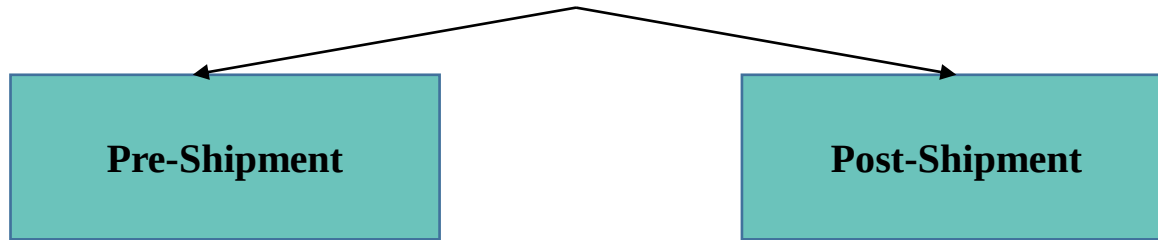
Risk analysis of export business operations



SILESIA
UNIVERSITY
SCHOOL OF BUSINESS
ADMINISTRATION IN KARVINA

Foreign trade operations are characterized by an **increased level of risk**. Risk management is therefore one of the important tasks of a business company. It requires, in particular, **the creation of preventive measures to prevent losses** and, in particular, **the appearance of bad debts**. Preventive measures consist in **identifying risk factors** related to export or entering the foreign market (Svatoš et al., 2009).

The business risk analysis generally relates to two phases.



Risk Management

Risk management is a **complex systematic process of identifying, eliminating or minimizing uncertain events that may affect an entity and controlling them**. The main objective of risk management is to incorporate the effects of risk arising from process variability into human decision making. Risk management also includes anticipating the consequences of these risks and organizing activities so that human, financial and material consequences are as low as possible for the entity. The risk management process is a decision-making process, the critical phase of which is the **choice of an optimal solution**. It is therefore recommended that, for certain events that may have a significant impact on the business or recur, it is advisable to **consider possible crisis scenarios** and to **determine their implementation** using **appropriate methods** to change the external environment or internal development within the organization. (Mulačová et al., 2013)

Risk assessment is a critical component in entrepreneurship by means of **exploiting opportunities**, risk must be assessed as a part of the process. (Miles, 2011)

Importantly, scenarios for situations of a certain type include a relatively detailed plan on **how to proceed in that situation**, because risk management aims **to identify risks and eliminate them at an early stage** so that we can prevent unwanted events. Risk management is an **important part of strategic management** in any organization. (Mulačová et al., 2013)



THE ROLE OF RISK MANAGEMENT

Risk management is **a discipline for dealing with the organizations' s risks** (Sadgrove, 2015). Risk management can **enhancing business performance**. The role of risk management in trade operation is following (Reuvid, 2014; Sadgrove, 2015):

- With national economies struggling, stabilizing, and some recovering, risk management has a role to play in **ensuring the health of organizations**; ensuring that whether they be private or public sector, charitable or profit-making, large or small, new or old, they achieve what they have set out to do.
- Risk management must **provide the advice, tools, products and services** that assist an organization with its planning and reporting, feeding into and influencing decisions surrounding resources, priorities and, increasingly, helping to manage expectations.
- Risk management **provides arrangements** through business continuity management **to minimize damage, deal with crises and recover back to normality**, perhaps even reach a better place.
- Risk management helps a company **avoid cost and disruption**.

The reasons of growing importance of risk management lie, among others, in getting tougher of **legislation** (legislation is more extensive, stringent and the EU now requires companies to carry out risk assessment in health and safety, product liability and finance) and **more expensive insurance** (expensive insurance, audit of insurance company, insurance may not recoup the full amount lost) Sadgrove, 2015.

EXPLANATION OF THE RISK MATRIX PROCESS

In assessing the likelihood of risk occurrence and its impact on business activities, statistical methods can be used, but in practice most decisions are based on the judgment of the company's experts or employees. A very often used analytical technique for risk assessment is the so-called **risk matrix** designed by Klaus Winterling. It is sometimes referred to as a risk map or an aggregate risk matrix. The matrix allows identification of risks according to two parameters (Mulačová et al., 2013):

1. **The probability of risk occurring at time** - categorizing how real and probable the risk actually occurs - the matrix defines three levels of probability - low, medium and high (low probability, probability, very probability)
2. **Impact of risk on the organization** - captures what the impact of risk on the organization may be if the risk occurs - the matrix defines three levels of effect - negative, threatening and devastating (low, medium and high impact). Negative effects have little impact on the organization's strategy and operational activities and are characterized by low concerns of stakeholders. The threatening effects have a moderate impact on the organization's strategy and operational activities and there is a slight concern of stakeholders. The devastating effects are characterized by a significant impact on organizations' strategy and operational activities and a high financial impact, which is of considerable concern to stakeholders.

Presenting The Risk Level 4x4 Risk Matrix

It is **difficult** for people outside the risk field **to quickly understand the multidimensional nature of risk** and the **diverse threats** it can pose to business operations. It is the duty of assessors to work closely with their business partners to show them how risk could impact their success, while **offering solutions**, not barriers, to facilitate business. (Blyth, 2008)

The following basic table can be used by managers **to represent the risk level** (Figure 2). In the following table the risks is assessing in global nature factors. Companies must **assess those factors that may affect it**, whether from an **external or internal environment**, in their assessments.

Figure 2: Representing Risk

		IMPACT			
		Low	Medium	High	Extreme
PROBABILITY	Low	J	I, L	K	
	Medium		G	H	
	High		F	B, C, D, E	
	Extreme				A

- A) Extreme weather events
- B) Cyber-attacks
- C) Natural disasters
- D) Water crises
- E) Large-scale involuntary migration
- F) Data fraud or theft
- G) Failure of national governance
- H) Critical information infrastructure breakdown
- I) Energy price shock
- J) Deflation
- K) Failure of financial mechanism or institution
- L) State collapse or crisis

Source: adapted of Blyth, 2008 and The Global Risks Landscape 2019

INTERNATIONAL TRADE ORGANIZATIONS

-the task

TEAM WORK

Imagine you are a team of managers who have decided to represent the level of risk using a **4x4 risk matrix**.

Task development process:

- In the previous task, you identified the risks that can arise when trading with Madagascar. Now apply the findings to the 4x4 risk matrix as input.
- You can also add new risks that you and your team agree on to the risk matrix.
- Based on the impact and probability assessment, place the risks in the appropriate position in the risk matrix. Justify this positioning.

Time: **15 minutes** + **10 minutes** of presenting the results to all members

A ONE-POINT ASSIGNMENT!



The best team will receive a bonus point.

RISK MATRIX – evaluation of teamwork

- 1) **What other risks** have you identified?
- 2) **Where did you place** the risks within the risk matrix?
- 3) **Have you clearly agreed on the placement within your team?**
- 4) What is the importance of the risk matrix when planning business operations abroad?

Location within the risk matrix

- | | |
|--|--|
| A. Extreme weather events | G. Failure of critical information infrastructure |
| B. Cyber attacks | H. Energy price shock |
| C. natural disasters | I. Failure of a financial mechanism or institution |
| D. Water crisis | J. Collapse or crisis of the state |
| E. Data fraud or theft | |
| F. Failure of the state administration | |

Other risks

Ways to Manage Risk

There are four ways to manage risks and company adopt one of these solutions for each risk, depending on how likely the threat is, and how severe its impact will be (based on risk level assessment – explained in previous lecture). These ways used to be known as the **4Ts as Terminate, Transfer, Treat and Tolerate**. The risk management standard ISO 31000 uses the phrase **risk treatment** to mean any of all of these four actions. These **four ways to manage risks** are specified as (Sadgrove,

1. Avoid them (Terminate)

-means choosing not to accept the risk. It means decide to stop offering a high-risk service, one that could lead to expensive litigation. Company might choose not to acquire another firm because the risks of its failing are too great or might sell a division that has large peaks and troughs in its profits.

2. Share them (Transfer)

-sharing the risk is also known as transferring or spreading risk. Techniques include Joint venture, redundancy, sub-contracting, outsourcing, dual sourcing, offsetting risk to suppliers, diversification or buying insurance.

3. Accept them (Tolerate)

-a low-impact, low-probability hazard is quite rare, if only because we don't really notice them. With no shortage of serious risk to manage, company may decide that a risk is within agreed risk tolerances. This will relation to the small risks that happen rarely. Deciding to accept small risks allows company to concentrate on the major ones, and prevents the risk system from becoming a behemoth.

4. Control them (Treat)

-in this area we are talking about the risks that have an impact on trade operations or the probability that they will happen. The standard way of managing these risks is through controls. They can take many forms involving process, practice or policy. The overall aim is to minimize, reduce or control the risk. There are several ways to **classify controls** (specified on the next slide).

The Classification of Risk Management Controls

There are several ways to classify controls. Three common classifications are (Sadgrove, 2015):

A) Preventative, directive or detective controls

- 1) Preventative controls stop the risk from occurring. This type of controls stop problems before they occur, so they are the best type.
- 2) Directive controls are usually aimed at getting people to do things. They include policies, procedures and training.
- 3) Detective controls give feedback, letting staff know whether a system is working properly, or alerting people if a problem has occurred.

B) Physical, management or technical controls

Examples of these controls are:

- 1) Physical controls: non-slip flooring
- 2) Management controls: a policy of using protective footwear
- 3) Technical controls: password-protected access control

Table 4: Examples of preventative, directive and detective controls

Type of risk	Preventative	Directive	Detective
Burglary	Locks	Require staff to close windows when leaving	Intruder alarms, CCTV
Fraud	Numbered order forms, having two people sign cheques	Train people not to give out passwords on the phone	Audit
Hard drive failure	Redundancy, strong password protection	Educate users to watch for data errors occurring	Software to monitor and diagnose drive wear

- Sources: adapted from Sadgrove, 2015
- 1) Manual controls: Audits required someone to do an inspection.
 - 2) Automatic controls: Automated backups which don't require human interaction (though getting a staff member to check that the backups are working is just as important, and reminds us that there is often more than one control for any process)

THE RISK MANAGEMENT PROCESS



THE RISK MANAGEMENT PROCESS

Risk management is a process of handling risk in a conscious fashion. The following framework present general risk management framework promoted by the Project Management Institute (PMI). There are a number of risk management frameworks that can be pursued beyond the PMI perspective. For example a thoughtful framework has emerged in Australia and is known as the Australia/New Zealand Standard 4360:1999. This framework developed by the Standards Association of Australia, serves as the leading guide to risk management in Australia and New Zealand. Although there are several frameworks, so all pursue the same basic message. They all are predicated on the view that effective risk management requires organizations to plan and deal with risk proactively, identifying risk events, developing strategies to deal with them, then dandling them when they arise. (Frame, 2003)

The risk management framework (continuing on the next slide) (Frame, 2003):

Step 1: **Plan for risk.** Prepare to manage risks consciously. Effective risk management does not occur by accident. It is the result of careful forethought and planning.

Step 2: **Identify risk.** Routinely scan the organization's internal and external environment to surface risk events that might affect its operations and well-being. Through this process, you develop a good sense of the bad things you might encounter in your projects and operations.



THE RISK MANAGEMENT PROCESS

The risk management framework (Frame, 2003):

Step 3: **Examine risk impacts**, both qualitative and quantitative. After you develop a sense of the risk events you might encounter in Step 2, systematically determine the consequences associated with their occurrence. Think through hard-to-measure consequences by means of a qualitative analysis. Model measurable consequences with a quantitative analysis.

Step 4: **Develop risk-handling strategies**. Now that you know what risk events you might encounter (Step2) and the consequences associated with them (Step 3), develop strategies to deal with them.

Step 5: **Monitor and control risks**. As projects and operations are underway, you need to monitor the organization's risk space to see if untoward events have arisen that need to be handled. If the monitoring effort identifies problems in process, then steps should be taken to control them.

Steps 2 through 4 constitute risk assessment. Together, they comprise an intellectual exercise that allows company to explore its risk space in order to prepare itself to handle the occurrence of untoward events. Step 5 takes company into the realm of action by having a deal with problems that are unfolding. Risk management is the combination of risk assessment and action. (Frame, 2003)



The Specific Examples of Risks of Doing Business Internationally

Type of Risk	Description	Mitigation of Risks
Foreign Country	Different countries have different risk characteristics	A risk assessment should be performed to determine a foreign country's political and economic stability
Non-Delivery of Goods	Buyer makes payment, but never receives goods	On-Account transaction, documentary collection transaction, standby letter of credit
Non-Payment (Exporter)	Seller sends goods, but never receives payment	Cash in advance, letter of credit, retention of title, consignment
Language Risk	Misunderstanding of oral communications and written contract	Translation, contract in both languages
Cultural Risk	Risk of offending other party; different negotiation styles	Etiquette, building trust
Currency Risk	Fluctuation, convertibility, and repatriation risks	Payment in own currency, hedging, countertrade
Political Risk	Change in regulations	Political risk insurance, bilateral investment treaties, concession agreement
Legal Risk	Differences in law, enforcement of law, and legal remedies enforceability of judgments	Foreign lawyer, contract remedies, choice of law, arbitration clause
Special Import Laws	Local participation and content requirements, standards	Market selection, use of independent contractors
Transportation Risk	Damage of goods in transit and miss-delivery	Cargo insurance, trade term

A close-up photograph showing two hands holding two interlocking wooden puzzle pieces. The piece on the left is labeled 'RISK' and the piece on the right is labeled 'INSURANCE'. The hands are positioned as if about to fit the pieces together. The background is dark and out of focus.

RISK

INSURANCE

SPECIFICATION OF ECONOMIC IMPORTANCE AND LEGAL FRAMEWORK OF RISK INSURANCE

Insurance is a financial service that is **based on the transfer of risk to a specialized institution**. This institution takes the risks for consideration and, as part of the infrastructure of the economy, ensures the financial elimination of the negative consequences of contingencies.

The **insurance stabilizes economic subjects**. It is based on the principle of the creation, distribution and use of an insurance fund managed by a special institution - an insurance company. An insurance fund is actually a money reserve fund, which is formed by the so-called insurance method. This means that all stakeholders are involved in its creation, but its distribution is for the benefit of those involved in the incident.



Marine insurance

-overseas transporters usually assume no responsibility for the merchandise they carry unless the loss is caused by their carelessness. Marine insurance provides protection from loss during shipment of products. This insurance has two types of coverage:

1. **Ocean marine insurance** – protects goods during shipment overseas or while temporarily in port.
2. **Inland marine insurance** – covers the risk of shipping goods on inland waterways, railroad lines, truck lines, and airlines.

Marine insurance is usually sold in three forms with varied coverages (Dlabay and Scott, 2005):

- **Basic coverage** – provides protection from hazards such as sea damage, fires, jettisons, explosions, and hurricanes.
- **Broad coverage** – includes basic coverage plus theft, pilferage, non-delivery, breakage, and leakage.
- **All-risk coverage** – consists of any physical loss or damage due to an external cause, excluding risks associated with war.

As expected, an all-risk policy is the most expensive of the three types since the most coverage is provided. Some losses are not covered by all-risk policies – include improper packing, damage caused by natural properties of a product, and loss caused by delay (such as labour strike). The amount charged for marine insurance is affected by a variety of factors. Premium factors include **the value of the goods, the destination, the age of the ship, the storage location** (on deck or under deck), **the packaging, and the size of the shipment.**

Property insurance

Crimes such as burglary, theft, and arson disturb business activities throughout the world. Companies face three main risks as property owners (Dlabay and Scott, 2005):

1. **Loss of real property** – refers to structures permanently attached to land, such as factories, stores, garages, and office buildings. A company's building and land represent a significant financial investment. Property insurance provides protection for damage or loss of real property. Buildings and structures are insured for loss or damage from fire, lightning, wind, hail, explosion, smoke, vandalism, and crashes or aircraft and motor vehicles.
2. **Loss of personal property** – refers to property not attached to the land. Loss or damage of office furniture, machinery, equipment, and supplies also can be covered by property insurance.
3. **Financial responsibility for injuries or damage** – liability is legal responsibility for the financial cost of someone else's losses or injuries. Customers, company guests, employees, and others may be injured while on the premises of a business. Or a company representative may accidentally damage the property of others. When any of these occur, the company may be responsible for the financial loss that results from the incident. Quite often legal responsibility is the result of negligence, or failure to take ordinary or reasonable care. An employer may also be held financially responsible for the actions of an employee. Liability insurance protects a company from financial losses due to the actions of its employees.

Political risk insurance

It covers political events, including the direct and indirect actions of host governments that negatively impact investments and are not properly compensated for. The following are the political risks commonly insured by the PRI industry (Dlabay and Scott, 2005):

- **Expropriation** – PRI protects against losses caused by host government actions that may reduce or eliminate ownership or control. It covers outright confiscations, expropriations, and nationalizations, as well as losses resulting from a series of acts that over time have an expropriator effect.
- **Currency inconvertibility and transfer restrictions** – protects against losses arising from an investor's inability to convert local currency into foreign exchange and to transfer it out of the host country. It also covers excessive delays in acquiring foreign exchange. Typically, this coverage applies to the interruption of interest payments or repatriation of capital or dividends resulting from currency restrictions. It does not cover devaluation risk.
- **Political violence** (war, terrorism, and civil disturbance) – protects against losses resulting from the damage of tangible assets or business interruption caused by war, insurrection, rebellion, revolution, civil war, vandalism, sabotage, civil disturbance, strikes, riots, and terrorism. Coverage usually applies to politically motivated acts.

Credit risk insurance

One hazard of conducting business in other countries is not receiving payment. Credit risk insurance provides coverage for loss from non-payment of delivered goods. This protection helps reduce the risk of international business activities.

- Credit risk insurance is available through the **Foreign Credit Insurance Association (FCIA)**, a **private association that insures U.S. exporters**. FCIA enables exporters to extend credit to overseas buyers. Credit insurance covers 100 percent of losses due to political reasons, such as war, asset seizure, and currency inconvertibility. This insurance covers up to 95 percent of commercial losses, such as non-payment due to insolvency or default. (Dlabay and Scott, 2005)
- In EU there is the private sector insurers offering short – term domestic and export credit insurance covering “marketable” risk which for them is synonymous with “re-insurable” risk. At the other, there are the **State-owned Export Credit Agencies (ECAs)** providing medium and long-term insurance for the account of the state within the terms of the OECD Arrangement on officially supported export credits.

PLANNING SALES IN FOREIGN MARKETS



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ



MANAGEMENT PROCESS - FROM STRATEGY TO SALES PLAN



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVÍ

1. Background - philosophy, vision and mission of the company
SW analysis - OT analysis (including territorial and market analysis)

2. Strategy: Targets (in the broad sense) and price targets (market penetration, "Picking the cream", expressing the difference of the product...)
general strategy (do it big, do it new, do what is missing in the market),
development retailing, responding to demand (Trading up, Trading down), pricing
strategies (premium pricing, penetration, competitive, economic, differential)

3. Marketing Strategy and Its Tools: Marketing Mix

4. Creation of a plan as a basic management tool - business and financial
planning (including sales plan and planning methods)

5. Other management tools under the marketing field

THE DIFFICULTY OF FORECASTING SALES



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

How many % of companies did not meet their sales forecast in 2021?

400
respondents
from the B2B
market across
the US

The Sales Forecasting State Survey found that in 2021, **68%** of companies missed the forecast **by more than 10%!**

How many % of companies did not meet their sales forecast in 2023?

420
respondents
from the B2B
market across
the US and
UK

A 2024 sales forecasting status survey found that **61%** of companies had not met their forecast.



CALCULATION OF PRICES IN INTERNATIONAL TRADE



**SILESIA
UNIVERSITY**
SCHOOL OF BUSINESS
ADMINISTRATION IN KARVINA

There is no simple formula or pricing method for foreign trade pricing, as it is for domestic trading. When creating it, we have to take into account a number of factors, including (Mulačová and Mulač, 2013):

- Cost calculating
- Price of competing products
- Product and brand exclusivity
- Possibility of substitution of products on the target market by competing products
- Speed and continuity of supply
- Provision of after-sales services (e.g. warranty period)
- Demand interest
- Price elasticity on the demand side
- Pricing strategies used in the target market
- Legislative constraints and autonomous instruments

Calculation is an important tool for managing business operations. It is the basis for decision-making and the basis for the choice of alternatives that can be chosen in the export or import operation, in particular with regard to the choice of mode of transport, freight forwarding, storage, but also customs tariffs, currencies or payment instruments. (Mulačová and Mulač, 2013)

THE IMPORTANCE OF SALES FORECASTING



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

The goal of forecasting is not just to predict the future, but to tell you what you need to know so that you

- Paul Saffo



The history of sales forecasting dates back more than 60 years (Boulden, 1958; Winters, 1960). Since then, a large number of sales forecasting papers have been published, covering a wide range of applications in real-world industries such as printed circuit board manufacturing, the food industry, and the apparel industry.

FACTORS INFLUENCING THE PROGNOSIS



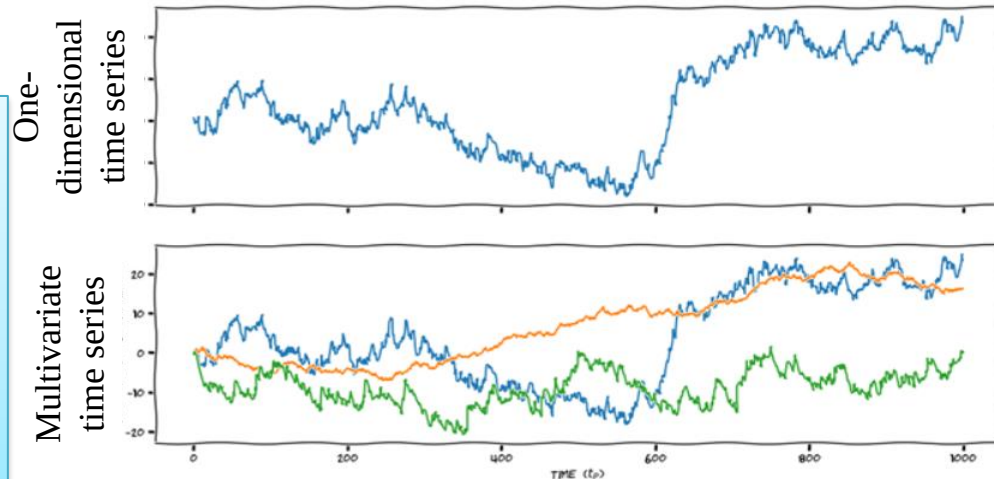
SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

Sales forecast as a one-dimensional time series? Is the process of generating time series data constant? → invalidity in the real world

The forecast may be affected by a wide range of macroeconomic, political, international, industrial, competitive and other trends.

The main factors influencing the forecasts are considered to be:

- political stability,
- social trends,
- price level
- the government's control and fiscal policy;
- employment, productivity and national income;
- technical environment.



Sales Planning and Forecasting Methods



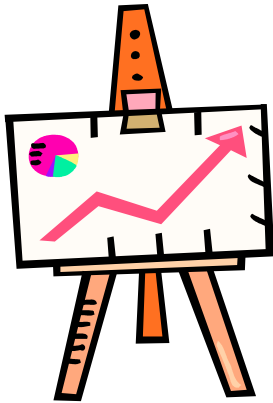
**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ



METHODS OF PLANNING AND FORECASTING IN TRADE

1) QUALITATIVE METHODS

Court of Executives
The Delphi Method
Sales Force Census



2) QUANTITATIVE METHODS

A: Projecting trends (upwards, downwards)

Adaptive Forecasting Methods

Statistical methods (average growth, rolling averages...)

Time series analysis

The 4 main components of time series:
trend, cycle, seasonality, emergencies

B: Causal models

Regression or correlation analysis

Indicative indicators

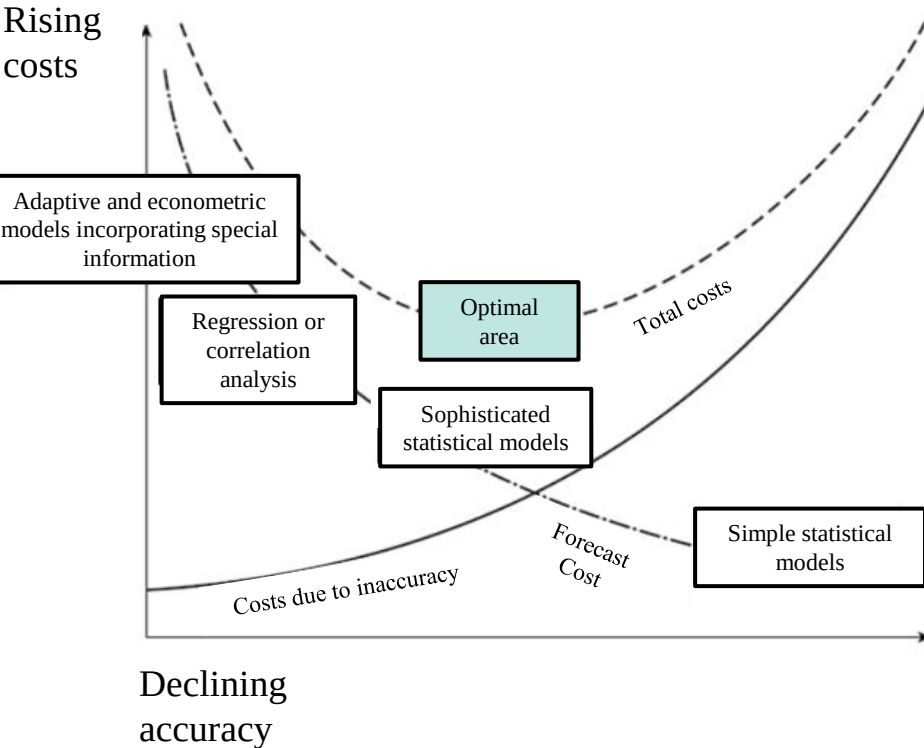
Identical indicators

Lazy indicators

WHICH FORECASTING METHOD TO CHOOSE?



SLEZSKÁ



Main starting points of forecasting (Fotr, Vacík, Souček, Špaček and Hájek, 2020):

In the current period of dynamic changes in the business environment, quantitative methods are not the most suitable and qualitative methods should be preferred. However, even these cannot usually reveal sudden **changes and discontinuity of development**, which the company can counter, at least partially, with its flexibility.

The forecasts set are highly unreliable due to the existence of a number of uncontrollable factors. Therefore, it is necessary to work with **variant forecasts in the form of scenarios** (e.g. optimistic, most probable, pessimistic, or even warning scenarios), or to determine the impact of changes in variables on the strategic financial plan, for example, what if analyses can be used. The use of multiple forecasting methods can also contribute to reducing the unreliability of forecasts.

It is advisable to retrospectively **determine the deviations of the forecasted values of significant variables from reality and the cause of these deviations**. Detecting these contradictions and trying to eliminate or weaken them can lead to an increase in the reliability of other forecasts based on learning from past mistakes.

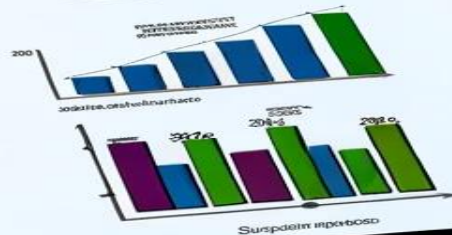
SALES PLAN

[Faint, illegible handwritten notes at the bottom of the page.]



001
page
Coccyzus erythrophthalmus, was first the ruler's gayest & bold phantasm Wilfredson
sent unthoughtful & unhesitatingly, giving values due to his master's glories, mantle,
olive & white feathers & wings, as our master's ordered by Duke's house & his noble
wings...
...as an object of his pathos & hope...

SALES: SEONIMA:



Sales Plan



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVÍNĚ

It is the basis of all planning, and we plan using various methods:

Top-down method,

Bottom-up method,

Comprehensively (synergy of both methods).

A sales plan at the sales department level serves:

- To verify the **accuracy** of the data obtained by the marketing department.
- It is the basis for the **income part of the financial plan**.
- It is the **starting point** for the breakdown of **sales quotas** for individual business and operating units and their employees.
- It is the **starting point for drawing up an inventory plan**.



HOW TO GO ABOUT CREATING A SALES PLAN?



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

Search the internet for how to set up a sales plan (content).
→ Write down the steps and the source of the information

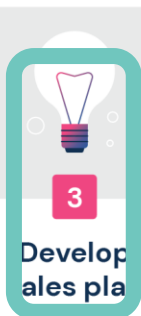
Sales Planning Process in 5 Steps



1
Analyze



2
Set goals



3
Develop
sales plan



4
Execute
plan



5
Evaluate
results

Estimation of sales at the basic level of management



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

Sales plan for the established MOJ - application of the time series analysis method

Necessary data for calculation:

- Last year's sales (overall and by structure)
- Trend
- Business cycle
- Seasonality



CALCULATION FORMULA:

To calculate the sales plan in case of established retail units can therefore use the following formula (Starzyczna, 2014):

$$MO_t = MO_{t-1} \pm T \pm HC \text{ or}$$
$$MO_t = MO_{t-1} I_T I_{HC}$$

Explanation of the formula components:

MO_t	Planned sales (in currency or physical units)
MO_{t-1}	Last year's sales (in currency or physical units)
T	Trend
HC	Economic cycles
I_T	Index of the trend
I_{HC}	Index of economic cycles

Example 1: Retail Sales Plan for an Established Retail Unit

The drone sales company sold 356 drones last year and wants to forecast the drones sold in December this year. The long-term trend shows a 10% increase in drones sold per year. However, a recession is expected this year, which will probably result in a total of only 95% of the expected drones sold according to the long-term trend. December is in the drone sales above average, its seasonal index is 1.3. The Company does not expect any unforeseen events. How many drones will the company sell in December this year?

Calculation:

1) Trend:

$$O_t = O_{t-1} \times I_T$$

2) Economic cycle:

$$O_{t''} = O_{t'} \times I_{HC}$$

Seasonality:

Average monthly sales:

Answer: The company plans to sell about **372 drones for the whole year**. The estimated drones sold in **December are around 40 pieces**.

SALES ESTIMATE FOR THE NEWLY ESTABLISHED RETAIL STORES



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

Background:

a) Definition of the catchment area of interest

- Action radius - potential customers

b) Estimating the sales plan

- selected assortment - average consumption expenditure on the foreign market in the currencies of the respective countries,
- estimation of purchasing power and the degree of realisation of expenditure of the population,
- competitive conditions,
- analogy of other stores.

Formula: $MO_t = O_{lk} \cdot V_o \cdot I_{MR} \cdot I_{KS}$ - Competitors' share



CALCULATION OF SALES PLAN - established retail unit

-the task

Individual work

Calculate the sales volume of mobile phones at an established retail unit for December 2023 knowing the following data:

- In 2022, the retailer sold 1,523,652 mobile phones.
- This year, the company plans to reduce unprofitable types of mobile phones, which will reduce sales by about 1.5%.
- Estimated development according to the business cycle suggests an increase in sales of 1%.
- The seasonal index for December is 1.4.

Calculation formula:

$$MO_t = MO_{t-1} \pm T \pm HC \text{ or}$$
$$MO_t = MO_{t-1} I_T I_{HC}$$



CALCULATION OF SALES PLAN - **established** retail unit

-the task



SILESIA
UNIVERSITY
SCHOOL OF BUSINESS
ADMINISTRATION IN KATOWICE

Correct calculation

1) Trend

$$MO_{20} = MO_{19} * I_T$$

$$MO_{20} = 1\,523\,652 * 0,985$$

$$MO_{20}' = 1\,500\,797,22 \text{ mobile phones}$$

2) Economic cycle

$$MO_{20}'' = MO_{20}' * I_{HC}$$

$$MO_{20}'' = 1\,500\,797,22 * 1,01$$

$$MO_{20}'' = \mathbf{1\,515\,805,19} \text{ mobile phones}$$

3) Seasonality

Average monthly sales: $MO = 1\,515\,805,19 / 12 \rightarrow MO = 126\,317,10$
mobile phones

December: $126\,317,10 * 1,4 = \mathbf{176\,843,94}$ mobile phones

Answer

The company plans to sell about 1,515,805 mobile phones for the full year. The estimate of mobile phones sold in December is around 176,844 mobile phones.



CALCULATION OF SALES PLAN - established retail unit

-the task

Individual work

Calculate the merchandise sales volume of a retail grocery store for November 2023 knowing the following data:

- The grocery retailer sold \$150 million worth of merchandise in 2022. CZK.
- Management is planning changes to the store operations that are likely to translate into a 2% increase in sales.
- The 2023 economic cycle is expected to see an approximate growth of 1%.
- The seasonal index for November is 1.2.

Calculation formula:

$$MO_t = MO_{t-1} \pm T \pm HC \text{ or}$$
$$MO_t = MO_{t-1} I_T I_{HC}$$



CALCULATION OF SALES PLAN - **established** retail unit

-the task

Correct calculation

1) Trend

$$MO_{20} = MO_{19} * I_T$$

$$MO_{20} = 150\,000\,000 * 1,02$$

$$MO_{20}' = 153\,000\,000 \text{ CZK}$$

2) Economic cycle

$$MO_{20}'' = MO_{20}' * I_{HC}$$

$$MO_{20}'' = 153\,000\,000 * 1,01$$

$$MO_{20}'' = \mathbf{154\,530\,000 \text{ CZK}}$$

3) Seasonality

$$\text{Average monthly sales: } MO = 154\,530\,000 / 12 \rightarrow MO = 12\,877\,500$$

$$\text{November: } 12\,877\,500 * 1,2 = \mathbf{15\,453\,000 \text{ CZK}}$$

Answer

A company plans to sell approximately CZK 154 530 000 worth of goods for the whole year. The estimated sales volume for November is CZK 15 453 000.



CALCULATION OF SALES PLAN – newly established retail unit -the task

Individual work

Calculate the expected retail turnover for the newly intended retail unit, knowing the following data:

- The population of the action radio is 25,000.
- The average consumer spending is 560 CZK.
- The index of the population's spending realization rate is 1.2.
- The purchasing power parity index is 1.3.

Calculation formula:

$$MO_t = O_{lk} \cdot V_o \cdot I_{MR} \cdot I_{KS} - \text{share of competition}$$



CALCULATION OF SALES PLAN – newly established retail unit -the task

Correct calculation

$$MO_t = O_{lk} * V_O * I_{MR} * I_{ks}$$

$$MO_t = 25\,000 * 560 * 1,2 * 1,3$$

$$MO_t = 21\,840\,000 \text{ CZK}$$

Answer

The expected retail turnover will be approximately 21 840 000 CZK



FURTHER DIRECTION OF THE LECTURE



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

WHY SHOULD COMPANIES CONDUCT PRICE RESEARCH?

WHAT ARE TRANSFER PRICING?

CAN COMPANIES TAKE ADVANTAGE OF DUMPING PRICES ON FOREIGN MARKETS IN THE LONG TERM?

WHAT PRICE ADJUSTMENTS ARE MOST OFTEN USED IN THE PURCHASE CONTRACT?



STARTING POINTS FOR PRICING ON FOREIGN MARKETS



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- **Comparable benchmark** – a factor in brand/product selection
- Price can be used to attract consumers, add value to a company's offering, gain a competitive advantage, maximize profits, and gain distributor retention. (Neelankavil and Rai, 2009)
- **Inconsistency in world prices**
 - imperfect competition, the relative closedness of certain global units,
 - the nature of the market, currencies,
 - commercial-political influences,
 - price regulation in certain areas of business;
 - Differences in the technical parameters of the products
 - Differences in the level of accompanying services,
 - difference in the provision of distribution channels,
 - The relationship between the seller and the buyer.



TRADING BASED ON WORLD PRICES



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- They tend to be **publicly published and fixed**
- Exchange prices also **largely affect the price of the relevant commodities** in trades that are concluded outside the exchange. (Machková et al., 2014)
- World prices **are linked**.
- In some cases, mainly when trading in:
 - Raw materials and commodities traded on exchanges
 - Raw materials and commodities that are traded at major world auctions
 - Specific products (Airbus jets about everywhere for about the same price)

Figure 1: Airbus Beluga cargo aircraft
(CZK 5 billion/piece)



PRICE POLICY



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- It must be part of the company's business strategy and is important for the fulfillment of its main strategic goals.
- It affects cash flows, revenues, ensures return on investment and predetermines the possibility of making a profit.

How is pricing policy in international trade formed?

Problems in determining the price in foreign markets:

- Price Escalation
- Transfer pricing
- Dumping
- Economic and technological changes (harmonization)
- Development of online shopping for domestic consumers abroad (standardization of pricing on international markets)



FORMATION AND PRICING IN FOREIGN TRADE



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVÍNĚ

- When setting prices, companies rely on both **internal** and **external** factors.
- There is no simple formula or method for determining prices in foreign trade
→ there are a **number of factors that need to be taken into account.**

Cost calculation

Price of competing
products

Position of the product on the market
with its competitors' products

Technical and technological
level of the product

**WHAT FACTORS INFLUENCE PRICE
DETERMINATION IN FOREIGN
TRADE?**



DUMPING PRICES



SLEZSKÁ

- They are applied by some exporters **when entering a new market** → a market with significant growth potential, markets with newly opening economies.
- They are feasible **based on the company's ability to deliver products at very low prices for a limited period of time**, which do not generate profit and sometimes do not even cover costs.
- Their goal is to **eliminate competition from a given market**, consolidate **their position in the market and consequently raise prices**. (Machková et al., 2014)

Dumping is an unfair business practice where a firm sells the same product at different prices on the domestic market and for export.

**Dumping
margin**

- **International rules** (World Trade Organization – WTO)
- **Within the EU** – anti-dumping is regulated by the relevant Community legislation, the **European Commission** is the authorized authority to carry out anti-dumping investigations.

TRANSFER PRICES

- They are used by transnational corporations **to move funds between the individual parts of a capital-linked business unit** (between the parent company and its subsidiaries, or between subsidiaries). (Machková et al., 2014)
- Significant changes in international trade (globalisation and related changes in international trade and transactions) have contributed to the increased interest in the use of transfer pricing
- Reduction of the tax burden of the entire group - **exchange of goods and services with other entities of the group.**
- It is possible to get into conflict with **business ethics and legality** – they lead to tax and customs evasion



Example of a company using
transfer pricing:

Coca-Cola

PRICE IN INTERNATIONAL SALES CONTRACT



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- According to the law of most countries, the price is one of the essential elements of the purchase contract.
- Most often, the price is fixed, but it can also be a floating price (for example, a price quoted on the day of delivery on a certain commodity exchange).
- **Price adjustment options** → the most common price adjustments in international trade:



- **Price rebate**
 - **Quantity rebate**
 - **Loyalty Bonuses**
 - **Wholesale rebates**
 - **Discount**
-
- **Price clauses** – for deals with a longer delivery cycle, the supplier tries to hedge against an increase in production costs compared to the calculated ones.

PRICE CALCULATION IN FOREIGN TRADE



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

An important tool for the management of business operations – **the basis for decision-making and the basis for the selection of alternatives that can be chosen in an export or import operation** (choice of mode of transport, forwarding, warehousing, customs tariffs, currency, payment instruments)

- Calculations are mostly done on a per-order basis → vary depending on market specifications.
- The starting point for determining the price is a preliminary calculation.
- After the completion of the trading operation, the final calculation is compiled.

Compare –
Future Price
Decisions

Deciding on the use of available resources so that trade is carried out as rationally as possible.

Intra-company and external (domestic and foreign) available resources



FACTORS THAT MAKE IT DIFFICULT TO CALCULATE COSTS RATIONALLY



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- **limited comparability** of foreign markets in terms of cost levels and structures;
- the cost of getting the goods to the consumer **is incurred by several entities**, and if one intermediary saves costs, this can result in an increase in the costs of the other intermediary;
- for some cost groups, there is no significant **link between the amount of costs incurred and the revenues achieved** (as a result of the economic situation, competitors' activities, natural influences);
- **Cost calculations in different currencies** that may change over time due to exchange rate fluctuations (in some markets, local irredeemable currencies are used);
- There is a **time lag between the costs incurred and the results achieved**, which may be affected by past activities (depending on customer satisfaction with the provision of service for past deliveries, on the costs incurred to promote sales in previous periods).

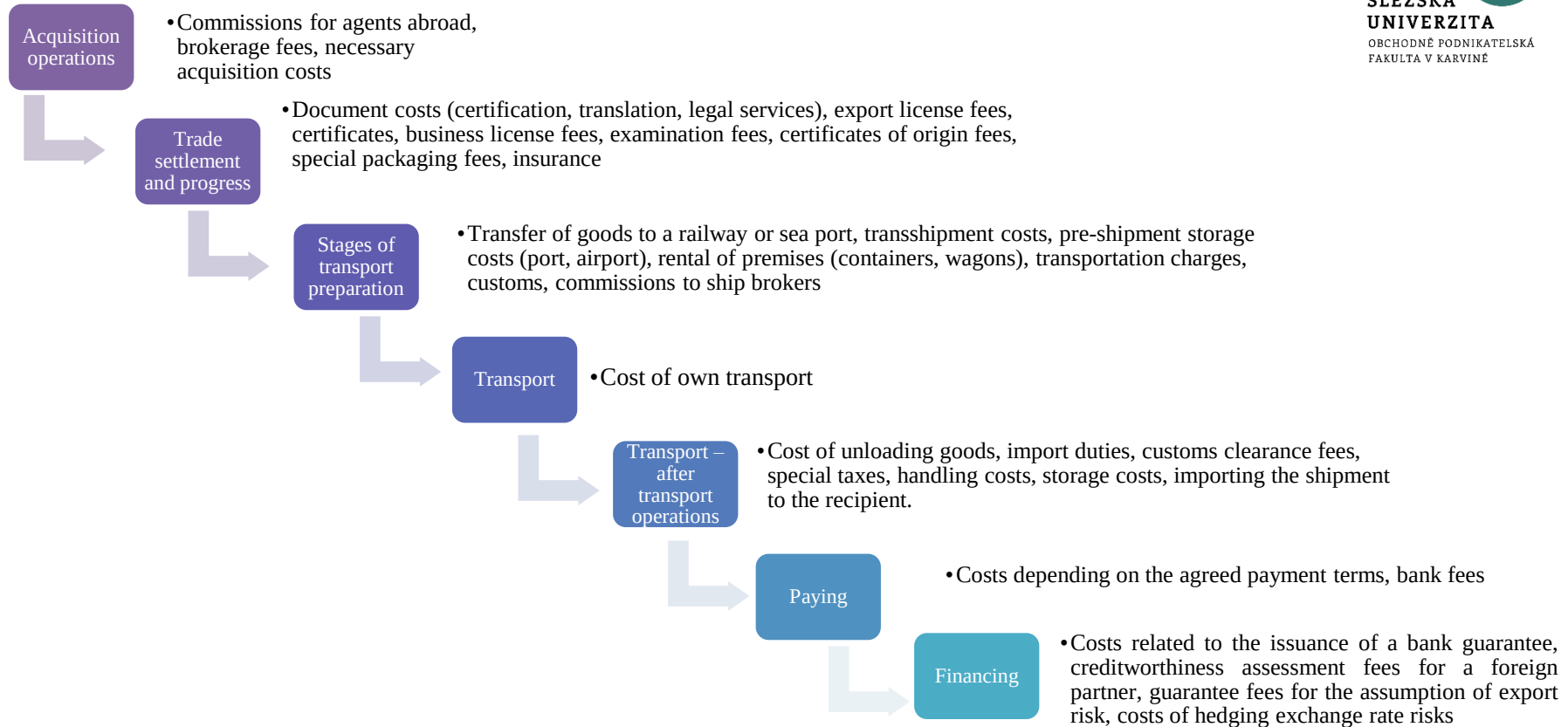
→ In most cases, it is not enough to allocate indirect costs according to a certain mechanical key (using a uniformly determined percentage of turnover).



OVERVIEW OF ACTIVITIES AND COSTS IN FOREIGN TRADE WITHIN THE CALCULATIONS



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ



TYPES OF CALCULATIONS



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

IN TERMS OF THE TYPE OF BUSINESS OPERATION

- Export Calculation
- Import Calculation

CALCULATION ACCORDING TO THE METHOD OF ASSEMBLY

- Cost-oriented
- Demand-oriented



COST-ORIENTED CALCULATION



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- The most common method of calculation.
- It is based on the increased cost of export, where the final price, referred to as the "**bottom up**", which is the maximum price, is given by the sum of the production costs and the costs related to the export of these products.
- Export-related costs result from negotiated contractual terms → may cause that the final price of the product calculated by this method may make the product uncompetitive on the market.

It is determined on the basis of a progressive sales calculation using an **export calculation formula**. The price discovery procedures are adapted to the terms of INCOTERMS and are designed differently for continental export operations and exports outside Europe (i.e. overseas operations). (Mulačová and Mulač, 2013)



CALCULATION FORMULA – CONTINENTAL OPERATIONS



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

1. **Production costs** + Costs of commercial representation
2. **Own costs** + Profit, export packaging, goods checking, transport insurance, provision for customs
3. **Selling price „EXW-Ex Works“** (from factory) + Costs for shipping documents, costs of Rolo, costs of securing the shipment, storage costs
4. **Selling price to the warehouse** + Costs for export and shipping documentation, export customs, rent for warehouse, container, transport costs at the border acceptance of transit costs from other countries, costs for handling at the border, fees for notification
5. **Selling price DAF (delivery at the border)** + Transport cost from border to the place of destination
6. **Selling price DDU** (place of delivery in the destination country)
7. **Selling price DDP** (delivered duty paid to the place in the destination country including customs clearance) + Fees associated with clearance, fees for risk insurance, securing exchange rates, costs associated with financing
8. **Total selling price**



CALCULATION FORMULA – OVERSEAS TRADING OPERATION



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

1. Production costs + Costs of commercial representation

2. Own costs + Export packaging, verified goods, transport insurance, commission for representation

3. Selling price „EXW-EX Works“ (from factory) + Costs for shipping documents, Rolo costs, costs of transport insurance, storage costs, handling costs at factory

4. Selling price „FAS“ (Free Alongside Ship) + Costs for export and shipping documentation, export customs, rent for storage, container costs, transport fees, costs for handling at port, maritime freight forwarder fees – FOB provision

5. Selling price FOB (Free On Board – agreed port of loading) + Fees to consignee, carried by ship

6. Selling price CFR (Cost and Freight – place of destination) + Cargo insurance

7. Selling price CIF (cost, insurance, freight – place of destination) + Fees associated with clearance, fees for risk insurance, securing exchange rates, costs associated with financing

8. Total selling price



CALCULATION FORMULA FOR SETTING PRICES ON THE FOREIGN MARKET- Exercises to learn how to work with a calculation formula



WORK IN A TEAM→ TEAMS OF 2

All active students are awarded 3 points



Walking Bear Silhouette



Jumping Deer Silhouette



Sitting Fox Silhouette

Task processing:

Imagine that you are going to export your goods abroad. You know the following variables: a foreign company, based in Sweden, wants to buy 1,000 wooden pictures from you, and the production price of one picture is 20 EUR. You need to create a calculation formula for your customer with individual conditions so that you can tell the company the price.

Reference to the calculation formula



Time: 25 minutes + 15 minutes presentation of outcomes.

PRICE RESEARCH



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- When setting the prices of products, international companies must constantly monitor the environment → behavior of competitors, changes in the cost of raw materials, changes in the rate of inflation, fluctuations in exchange rates, government regulations, etc.
- Changing the price of a competitor → price is the easiest to copy as part of a marketing strategy

They are the reason for conducting price surveys

To find out and describe the nature of the market, its dynamics, government regulations and regulations, the development of demand for given products, the price elasticity of demand, the perception of the value of products by the customer and competitors, the role of price as a strategic marketing variable

Price research provides information about the target market and external factors relevant to pricing

As part of the survey, it is good to monitor the purchasing power index, price indices, comparison of average prices of individual products, comparison of quoted prices in relation to quality.

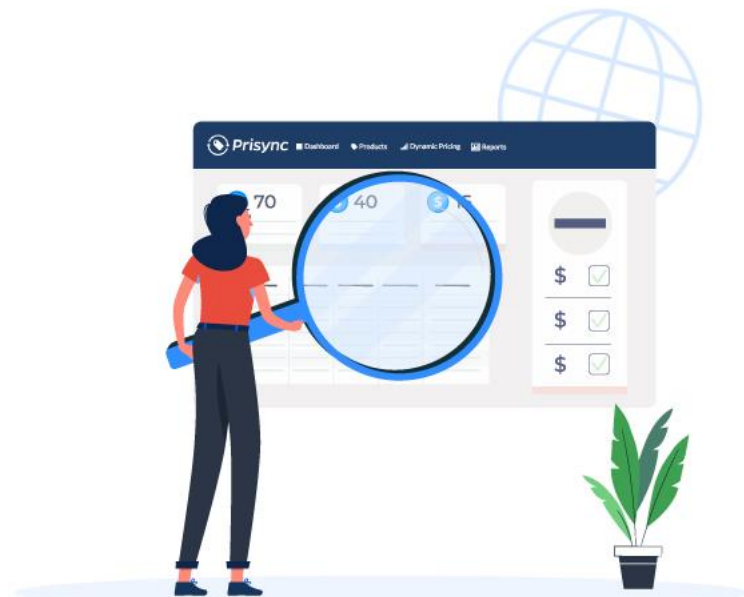
PRICE REVISION INTERVAL RANGE

The Global Pricing Survey found that companies have a wide range of price review intervals.

- A third of participants review prices once a year.
- In fact, more than 40% of companies do it more often.



Shorter price review intervals ensure **greater price transparency across countries** and **allow for faster adaptation to changes in the market** (Deloitte, 2012)



RESOURCES USABLE IN PRICE RESEARCH



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- Portal of the European Union (<http://europa.eu>),
- Access2Markets (<https://trade.ec.europa.eu/access-to-markets/en/home>),
- Ministry of Foreign Affairs(www.mzv.cz),
- Ministry of Industry and Trade(www.mpo.cz),
- Ministry of Finance (www.cs.mfcr.cz),
- Professional associations(Confederation of Industry of the Czech Republic- www.spcr.cz,
Confederation of Commerce and Tourism of the Czech Republic - www.socr.cz,
Association of Forwarding and Logistics of the Czech Republic - www.sslczech.cz),
- Czech National Bank(www.cnb.cz),
- BusinessInfo (www.businessinfo.cz),
- CzechTrade (www.czechtrade.cz),
- Chamber of Commerce (www.hkcr.cz),
- KOMPASS database (<https://cz.kompass.com/en>).



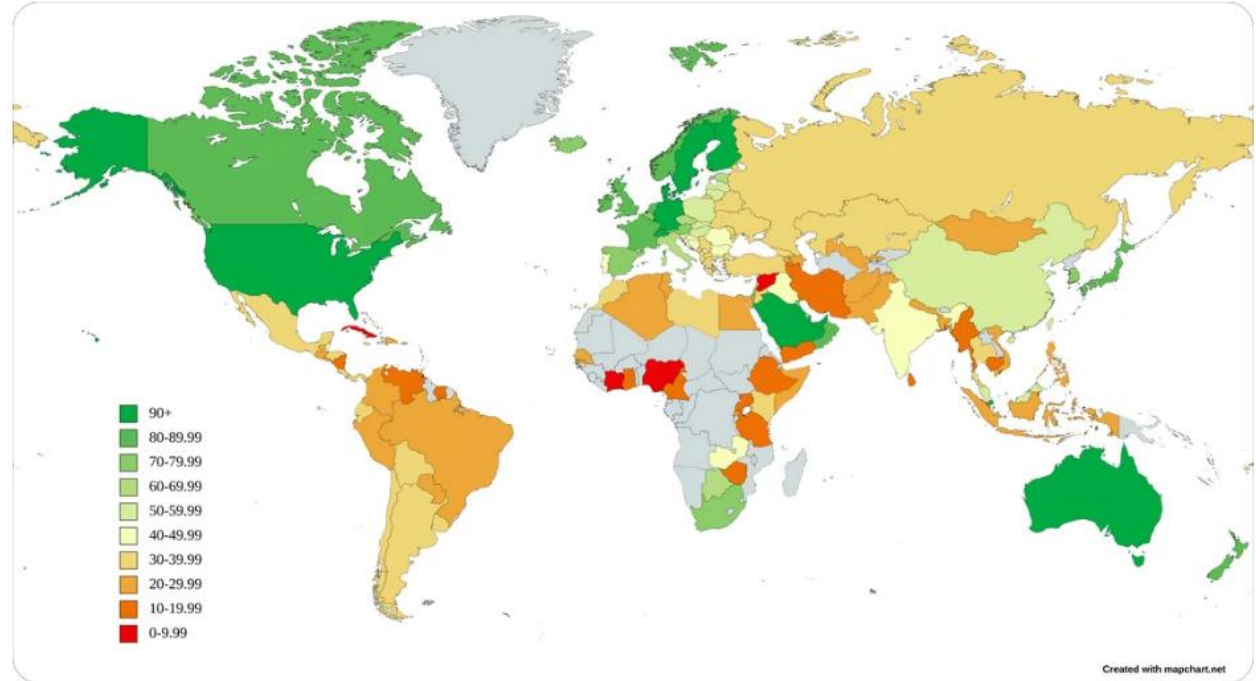
PURCHASING POWER INDEX FROM A COUNTRY-BY-COUNTRY PERSPECTIVE (2022)



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

Possibilities of use:

- When planning marketing, business and development activities in individual areas.
- It is an important comparative view of a specific territory.



CONTROL QUESTIONS



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

WHY SHOULD COMPANIES CONDUCT
PRICE RESEARCH?

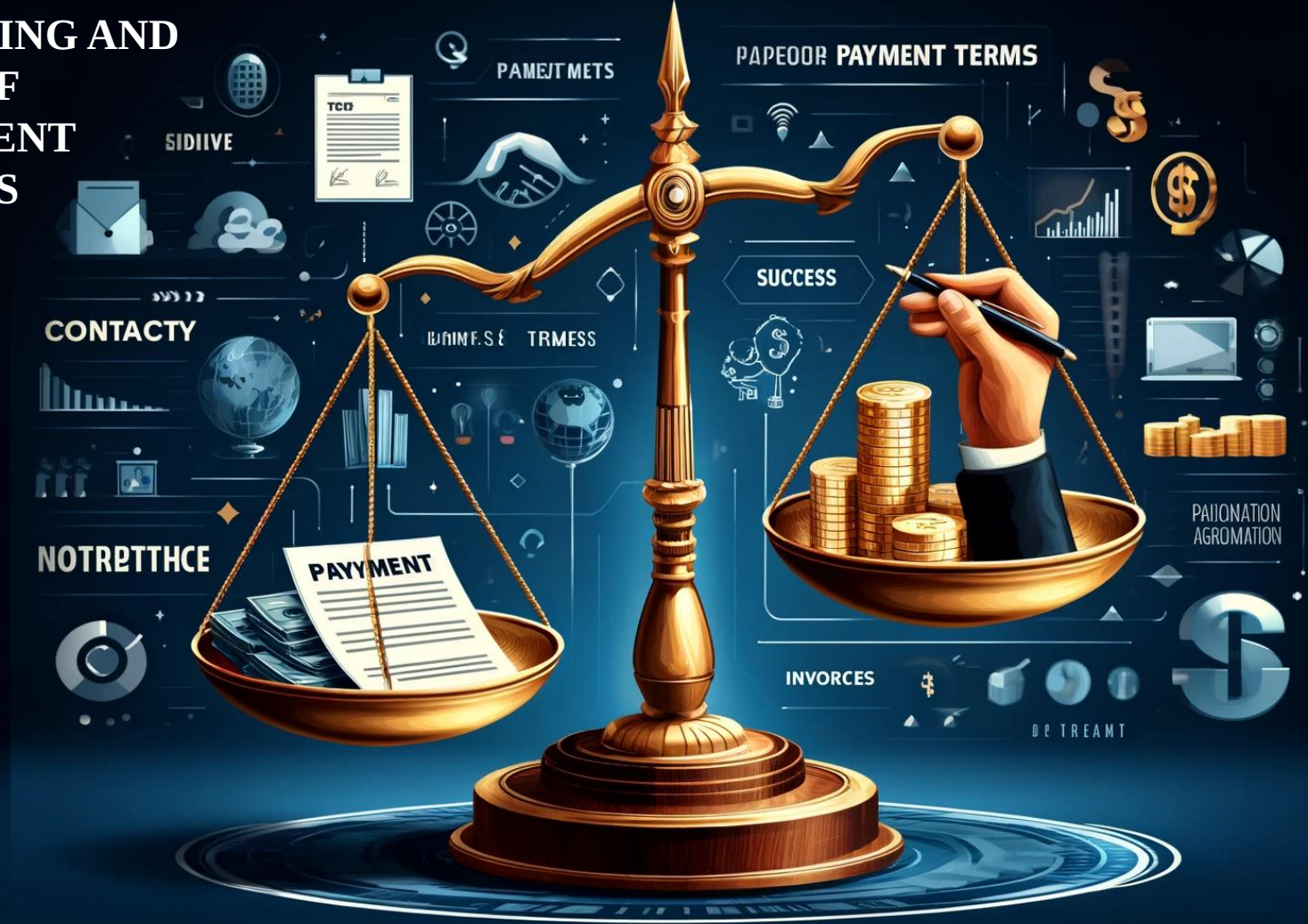


WHAT ARE TRANSFER
PRICING?

CAN COMPANIES TAKE
ADVANTAGE OF DUMPING PRICES
ON FOREIGN MARKETS IN THE
LONG TERM?

WHAT PRICE ADJUSTMENTS
ARE MOST OFTEN USED IN A
PURCHASE CONTRACT?

MEANING AND USE OF PAYMENT TERMS



MEANING AND USE OF PAYMENT TERMS

To complete an international business transaction, it is crucial to deliver the goods, fulfill other obligations, and receive payment from the seller.



Can anything go wrong in the process? → The assessment of the risks of the transaction and/or the way in which those risks were covered was not carried out correctly.

**Correct determination
and adherence to
payment terms**

**How to reduce the risk of a
failed/erroneous transaction?**

PAYMENT TERMS FUNCTION



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- The payment term is one of the most important conditions **for calculating the purchase price.**
- Its function is (Machková, Černohlávková, Sato et al., 2010):
 - can **ensure the performance** of the purchase contract by the seller and the buyer,
 - has an **impact on the level of some of the risks** taken by trade partners;
 - It is **linked to trade finance**
 - It determines the **amount of some of the costs** that are associated with a given international business operation.

A payment term is always **associated with a certain cost**
→ interest (credit terms), fees to banks, financial institutions (for issuing certain documents, for stamps, cost of risk insurance)



CONTENT OF PAYMENT TERMS



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

The payment term is usually explicitly agreed in the purchase contract and mainly expresses:

- **place, time and method of payment** of the purchase price by the buyer,
- **other conditions** (method of securing the receivables of one of the contracting parties, obligation to submit certain documents, obligation to pay interest).

Appropriately worded
payment terms



Interconnection of the
performance of the
purchase contract by the
importer and the exporter
by means of payment and
security instruments



DETERMINATION OF THE PAYMENT PERIOD



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- It is important from the point of view of the time relationship between the payment and the actual delivery of the goods.

Payment within the agreed due date

- It burdens the exporter with the necessity to lend to trade for an agreed period of time
- The exporter bears the risks associated with the granting of this credit
- The exporter bears the costs associated with financing, the return on investment is prolonged, and his turnover slows down

Payment upon delivery of goods or documents

- It is often carried out in documentary forms of payment
- Usually, documents are transmitted through banks using various banking instruments
- There may be a significant time difference between the time of handover and receipt of documents

Prepayment

- It is maximally beneficial for the supplier
- It is rather rare in international trade and occurs when supplies are small in value or when sold in high-risk markets

TYPES OF PAYMENT TERMS



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVÍNĚ

WHAT CAN INFLUENCE THE CHOICE OF PAYMENT TERMS?

↓ The smaller the risk for the exporter, the greater the risk for the importer. ↑

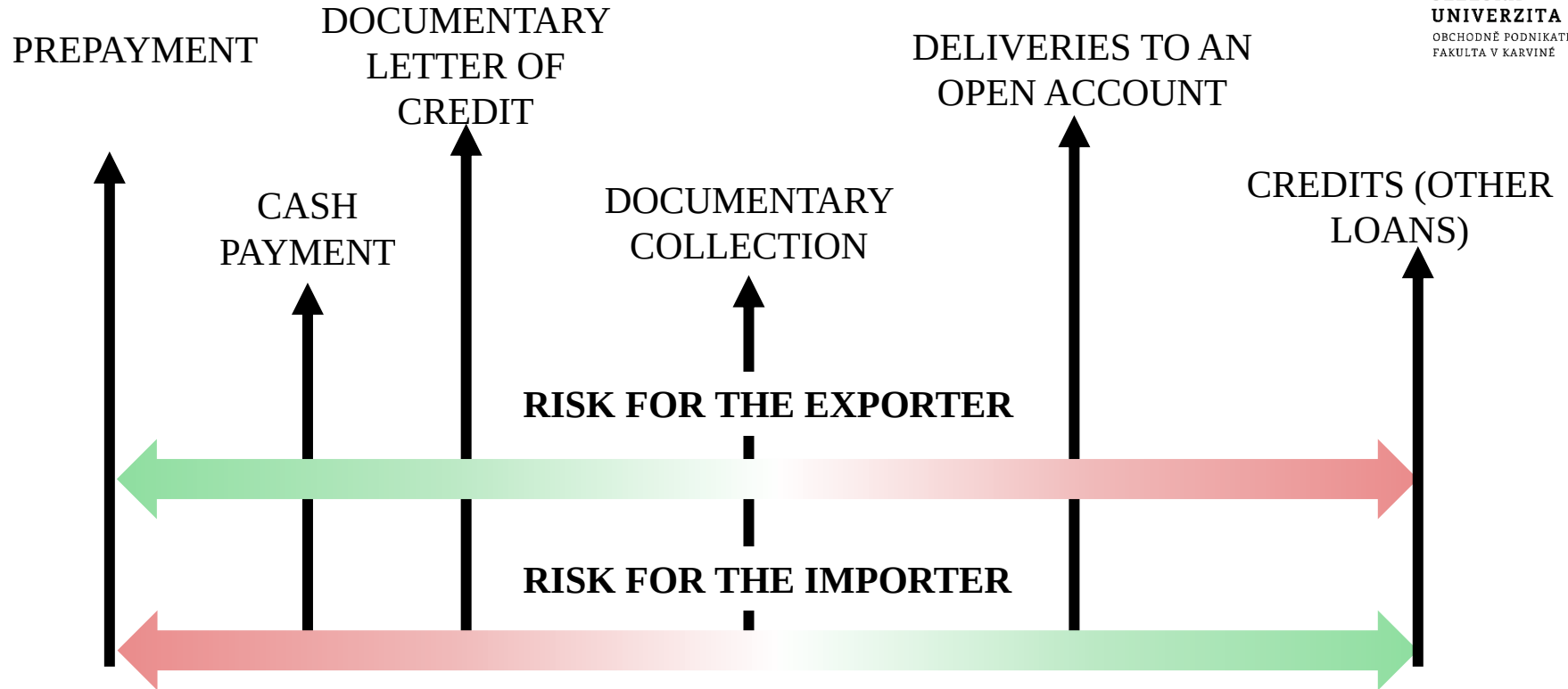
- Advance Payment, Cash-in-Advance
- Cash Payment
- Documentary payment (Cash Against Documents)
 - Documentary Letter of Credit – L/C
 - Documentary Collection
 - Documents Against Acceptance – D/A
 - Documents Against Payment – D/P
- Open Account Delivery
- Credits.

To minimize the concerns of both parties, the exporter and importer must agree on mutually acceptable payment terms before concluding the contract

TYPES OF PAYMENT TERMS - RISK



**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

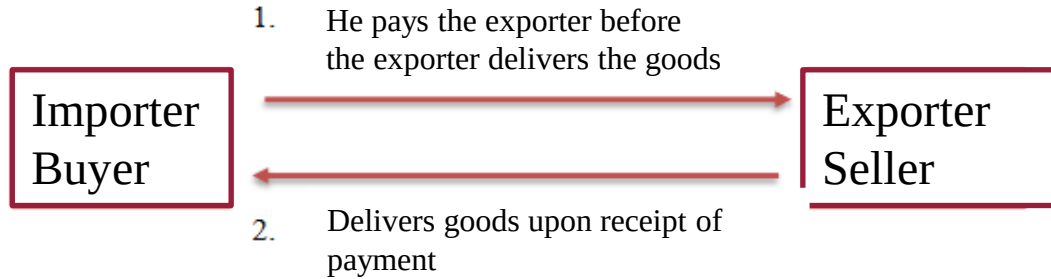


PREPAYMENT



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- This type of payment is considered the safest way to pay (for the seller).
- However, importers are not willing to pay upfront in times of global competition (they can choose between exporters).



Can paying in advance be risky? For whom? Why?

Payment in advance is suitable for exporters in the following cases:

- sells goods that are **exclusively his own** on the world market;
- when it **has doubts about the nature and/or ability of the buyer to pay** for the goods;
- when it is exposed to the **buyer's country risk**, such as political and/or other economic instability

CASH PAYMENT



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- The simplest, but **very little used form of payment in international trade.**
- It is usual **only for smaller deliveries of goods**, which the customer takes over **directly from the supplier** (e.g. at a trade fair).
- It can usually **only be used for freely convertible** currencies.
- **Disadvantages:**
 - loss of money ;
 - the risk of counterfeiting;
 - the need to recalculate amounts ;
 - unfavourable exchange rate compared to the foreign exchange rate (banks usually buy foreign currencies at a lower exchange rate than foreign exchange).



DOCUMENTARY PAYMENT



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- This type of payment is quite common in international trade.
- The buyer must take a **certain action to obtain the documents specified in the contract** – for example, arranging for the issuance of a letter of credit by the bank, signing a bill of exchange, payment.
- The selection of a specific document to be used by the seller **must clearly declare the delivery of the goods and comply with the requirements of the importing country, customs and administrative procedures.**
- Some of the documents may also represent **ownership of the goods.**



DOCUMENTARY PAYMENT – DOCUMENTARY LETTER OF CREDIT



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- An obligation of the bank to provide the authorized (beneficiary, usually the seller) with the performance specified in the letter of credit, provided that the beneficiary submits the required documents in time and fulfils all the conditions of the letter of credit.
- The bank issues a letter of credit on the instructions of the principal (buyer) according to his instructions.

It is suitable in the following cases:



- If the importer is not well known (an exporter selling on credit may want the importer's promise to be secured by his banker).
- The importer may not want to pay the exporter until he is sure that the goods were shipped in good condition/in accordance with his instructions.

The most commonly used documents: bill of lading, air waybill, commercial invoice, certificate of origin

DOCUMENTARY PAYMENT – DOCUMENTS AGAINST D/P PAYMENT



SLEZSKÁ

- The buyer usually pays **at the time of receipt of the documents**, which is convenient for him because his funds are not tied up in advance.
- In some countries, it is customary to present a promissory note with the documents, which is payable at sight.
- **Unlike a letter of credit, the bank does not assume any responsibility for payment** if the buyer is unwilling or unable to pay.

If the **documents are not accepted**, the seller retains the value of the goods – return transport of the goods, storage of the goods on the buyer's account, sale of the goods to a third party on the given market, re-export to another market



DOCUMENTARY PAYMENT –DOCUMENTS AGAINST D/A ACCEPTANCE

- The clearing bank will issue the documents necessary for the receipt of the goods only **after the buyer** (bill of exchange holder – a person who is ordered to pay) **accepts the bill of exchange issued to the order** (the remitter is the seller)
- Essentially, it is a **deferred payment or credit agreement**.
- The buyer's consent is referred to as **commercial acceptance**.
- D/A terms are **usually overdue at sight** (after 90 days at sight, after a certain date – after 150 days from the date of issue of the bill of lading)



DELIVERIES TO AN OPEN ACCOUNT



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- This type of payment **is not recommended in international trade** (unlike domestic trade), there are no international conventions that would protect exporters through arbitration to obtain payments under the open account method.
- The **seller provides the buyer with an extended payment period**, usually 30 days.
- A seller who agrees to sell to an open account in a foreign currency **bears the risk that the value of the currency will fall during the open loan period**.

In recent decades, it has also expanded to the international market in order to increase competitiveness



OTHER LOANS (CREDITS)



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

- Credits provided by the exporter are used in international trade for almost all types of goods:
 - **short-term loans of up to one year:** consumer goods, raw materials, foodstuffs, serial engineering products,
 - **Medium- and long-term loans:** increased supply of machinery, equipment and capital equipment

Short-term loans – interest is included in the price or negotiated separately, advantageous for the importer, because it is valid only at the time when the goods are already processed and sold to another trade intermediary, the exporter fully bears the risks of the credit provided to the importer.

Supplier credits over one year – they are usually provided only for a part of the value of the goods and the payment of the remaining part is agreed in the form of an advance payment (payment in advance) and/or depending on the delivery, installation, commissioning of the equipment.

Payment term – the period of the loan provided and the method of its repayment, interest on the loan, the method of its calculation and payment

FINANCING INTERNATIONAL BUSINESS OPERATIONS



SLEZSKÁ
UNIVERZITA
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ

...That is, raising and using funds to ensure the operation and expansion of business assets.

- **Regular financing** – securing and spending funds for the operation of the company: funds for the purchase and storage of materials, goods, energy, wages, freight, rent, postage, telephones, taxes and short-term liabilities.
- **Extraordinary financing** – usually requires large sums of money and brings fundamental changes in the company's activities: financing the establishment of a business, its expansion or reconstruction, merger, financing of the company's liquidation.

There are three main categories of financial entities of international trade:

1.



2.

Trade Concept, s.r.o.
H.R.F. TRADE, s.r.o.
VADEMA, s.r.o.

What
category
is it?

3.

EGAP, ČEB (in
the case of the
Czech Republic)
– What category is it?

EGAP - Export Guarantee and Insurance Corporation

MANAGEMENT OF RECEIVABLES ON THE INTERNATIONAL MARKET



SLEZSKÁ

- Most business transactions are carried out on a credit basis – managers' decisions regarding receivables must include the question of whether to grant credit and, if so, they must determine the legitimacy, amount and conditions.
- **Longer credit term** – likely to lead to increased sales.
- **Shorter credit term** – will likely result in lower sales.
- We take into account the **opportunity cost**.

Tight credit conditions – there will be less investment in receivables and fewer losses from bad debts, but also lower sales and profits.

Free credit conditions – higher sales and gross profit, but higher bad debts and higher opportunity costs for investments in receivables.



We must not forget to assess the customer's solvency (credit references) and we follow the company's credit policy.

RECEIVABLES MANAGEMENT PROCEDURES



SLEZSKÁ

- **Introduction of a credit policy** – before granting a loan, we check the creditworthiness of the business partner (financial statements, credit rating, financial services reports, previous records of loan repayment, competitive factors and economic situation), it is necessary to pay attention to marketing factors, the use of collateral in the event of doubtful creditworthiness of the client.
- **Determination of invoicing principles** – transparently defined invoicing policies, the period of sending statements to customers within one day after the end of the period, accounting for large sales immediately, giving invoices to customers at the time of processing the order, not at the time of its dispatch, invoicing for services should be done continuously or before the service is provided.
- **Introduction of a debt collection policy** – to determine the aging period of the receivable (overdue), the longer the receivables are overdue, the higher the probability of irrecoverability, the use of collection agencies, receivables can be sold, credit insurance can be used.



QUESTIONS?

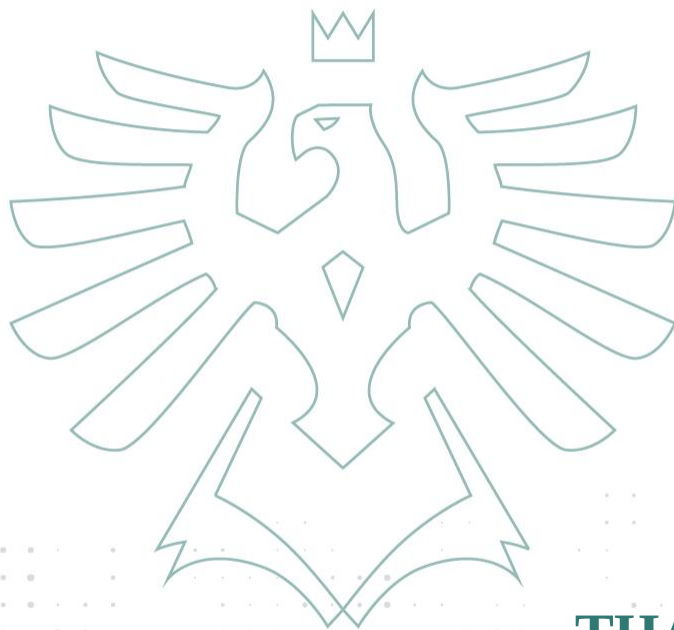


**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ





**SLEZSKÁ
UNIVERZITA**
OBCHODNĚ PODNIKATELSKÁ
FAKULTA V KARVINĚ



**THANK YOU FOR YOUR
ATTENTION**

www.slu.cz/opf/cz

DO YOU HAVE QUESTIONS?

SUMMARY

- Trade operations in planning and managing sales focuses on the creation of sales plans and all processes associated with sales, when managers must consider **demographic factors, transport and availability, retail competition, location and costs.**
- Sales planning includes **assessing the current situation, setting goals, determining market potential, forecasting sales, choosing strategies, budgeting and implementing a managing sales.**
- Companies can choose various method of forecasting and planning, which can be divided into **qualitative** (e.g. the Delphi method, sales force calculating method) and **quantitative** (trend designing and causal models) methods.
- There is three general approaches to planning sales: **top-down method, bottom-up method and two-way planning method.**
- **The sales plan** is a part of a number of functional plans developed in a business company, e.g. marketing plan, finance plan, business plan.
- Pricing and costing in international trade are crucial for expanding into new foreign markets and managing operations in existing markets.
- Reasons for inconsistent prices include **imperfect competition, regional closed-mindedness, and monetary and political factors.**





- A company's **pricing policy** affects its cash flow, profits, and is shaped both by the company itself and by external factors.
- Internal and external factors such as cost, competition, product exclusivity, elasticity of demand, strategy, and contractual adjustments affect prices.
- **Price adjustments** in international contracts, such as rebates and calculations, affect the final price. Calculations are made for individual orders with regard to market specifics, including the costs of acquisition operations, transport and financing.
- In international trade, we differentiate between **calculations** according to the type of operation and according to the method of compilation.
- One of the most common methods of calculation is **cost-oriented calculation**, which is based on increased export costs. The final price is referred to here as the "**bottom up**".
- **Price research** gathers information about the market, regulations, demand, price elasticity, and other factors. It assists companies in planning marketing and sales activities in various markets and provides a comparative view of the territory.

POUŽITÉ ZDROJE A LITERATURA



SLEZSKÁ

1. BRIGHAM, E.F., and J.F. HOUSTON, 2016. Fundamentals of Financial Management. 2nd ed. Boston: Cengage Learning. ISBN 978-1-305-88721-3
 2. GRATH, A., 2016. The Handbook of International Trade and Finance: The Complete Guide for International Sales, Finance, Shipping and Administration. 4th ed. Croydon: Kogan Page Publishers. ISBN 978-0-7494-7599-4.
 3. HINKELMAN, E.G., 2003. A Short Course in International Payments: How to Use Letters of Credit, D/P and D/A Terms, Prepayment, Credit, and Cyberpayments in International Transactions. 2nd ed. California: World Trade Press. ISBN 978-1-885073-64-8.
 4. LEVY, A., BOUHENI, F.B., AMMI, C., 2018. Financial Management: USGAAP and IFRS Standards. London: John Wiley & Sons. ISBN 978-1-119-52239-3.
 5. LUK, K.W., 2011. International Trade Finance: A Practical Guide. 2nd ed. Kowloon: City University of Hong Kong Press. ISBN 978-962-937-185-2
 6. MULAČ, P and V. MULAČOVÁ, 2007. Podniková ekonomika. České Budějovice: Vysoká škola technická a ekonomická. ISB 978-80-903888-0-2.
 7. MULAČOVÁ, V. and P. MULAČ, 2013. Obchodní podnikání ve 21. století. Prague: Grada. ISBN 978-80-247-4780-4.
 8. NEE, P.W., 2014. How to Get Rich by Exporting: Make it Big in the Export Business. Boston: The Internationalist. ISBN 978-1495322624.
 9. SCHAFFER, R., F. AGUSTI, L.J. DHOOGHE, 2014. International Business Law and Its Environment. 2nd ed. Stamford: Cengage Learning. ISBN 978-1-305-14301-2.
 10. SHIM, J.K., 2016. Accounting and Finance for the Non Financial Executive: An Integrated Resource Management Guide for the 21st Century. London: CRC Press. ISBN 978-1-4200-2563-7.
 11. SINGH, R., 2009. International Trade Operations, 2nd ed. New Delhi: Excel Books. ISBN 978-81-7446-735-5.
-

POUŽITÉ ZDROJE A LITERATURA



SLEZSKÁ

1. BURSTINER, I., 1991. *Základy maloobchodního podnikání*. Praha: Victoria Publishing. ISBN 85-85605-55-4.
 2. DUNNE, P. M., R. F. LUSCH and J. R. CARVER, 2014. *Retailing*. 8th ed. Mason: Cengage Learning. ISBN 978-1-133-95380-7.
 3. DUTTA, B., 2011. *Sales and Distribution Management*. New Delhi: International Publishing House Ltd. ISBN 978-93-80578-79-8.
 4. FOTR, J and I. SOUČEK, 2015. *Tvorba a řízení portfolia projektů: Jak optimalizovat, řídit a implementovat investiční a výzkumný program*. Praha: Grada Publishing, a.s. ISBN 978-80-247-5275-4.
 5. FOTR, J., E. VACÍK, I. SOUČEK, M. ŠPAČEK and S. HÁJEK, 2012. *Tvorba strategie a strategické plánování*. Praha: Grada. ISBN 978-80-247-3985-4.
 6. JANIŠOVÁ, D. and M. KŘIVÁNEK, 2013. *Velká kniha o řízení firmy: Praktické postupy pro úspěšný rozvoj*. Praha: Grada Publishing, a.s. ISBN 978-80-247-8858-6.
 7. JINDRA, J., 1996. *Obchodní firmy*. Praha: VŠE. ISBN 80-7079-918-8.
 8. KOTLER, P, V. WONG, J. SAUNDERS and G. ARMSTRONG, 2007. *Moderní marketing*. 4th ed. Praha: Grada Publishing. ISBN 978-80-247-1545-2.
 9. MARTINOVIČOVÁ, D., M. KONEČNÝ and J. VAVŘINA, 2014. *Úvod do podnikové ekonomiky*. Praha: Grada Publishing, a.s. ISBN 978-80-247-5316-4.
 10. MULAČOVÁ, V. and P. MULAČ, 2013. *Obchodní podnikání ve 21. století*. Praha: Grada. ISBN 978-80-247-4780-4.
 11. POUR, J., 2006. *Informační systémy a technologie*. Praha: Vysoká škola ekonomie a managementu. ISBN 8086730034.
 12. STARZYCZNÁ, H., 2014. *Obchodní organizace*. Karviná: SU OPF. ISBN 978-80-7510-043-6.
 13. STEFFENS, G., 2015. *The SMART criteria*. Brusel: 50Minutes.com. ISBN 978-2-806-26843-3.
 14. VARLEY, R., 2006. *Retail Product Management: Buying and Merchandising*. New York: Psychology Press. ISBN 978-0-415-32714-5.
 15. VARLEY, R., 2013. *Retail Product Management: Buying and Merchandising*. 3rd ed. Abingdon: Routledge. ISBN 978-1-134-60679-5.
 16. ŽŮRKOVÁ, H., 2007. *Plánování a kontrola: klíč k úspěchu*. Praha: Grada. ISBN 978-80-247-1844-6.
-

POUŽITÉ ZDROJE A LITERATURA



SLEZSKÁ

1. BRIGHAM, E.F., and J.F. HOUSTON, 2016. Fundamentals of Financial Management. 2nd ed. Boston: Cengage Learning. ISBN 978-1-305-88721-3
 2. GRATH, A., 2016. The Handbook of International Trade and Finance: The Complete Guide for International Sales, Finance, Shipping and Administration. 4th ed. Croydon: Kogan Page Publishers. ISBN 978-0-7494-7599-4.
 3. HINKELMAN, E.G., 2003. A Short Course in International Payments: How to Use Letters of Credit, D/P and D/A Terms, Prepayment, Credit, and Cyberpayments in International Transactions. 2nd ed. California: World Trade Press. ISBN 978-1-885073-64-8.
 4. LEVY, A., BOUHENI, F.B., AMMI, C., 2018. Financial Management: USGAAP and IFRS Standards. London: John Wiley & Sons. ISBN 978-1-119-52239-3.
 5. LUK, K.W., 2011. International Trade Finance: A Practical Guide. 2nd ed. Kowloon: City University of Hong Kong Press. ISBN 978-962-937-185-2
 6. MULAČ, P and V. MULAČOVÁ, 2007. Podniková ekonomika. České Budějovice: Vysoká škola technická a ekonomická. ISB 978-80-903888-0-2.
 7. MULAČOVÁ, V. and P. MULAČ, 2013. Obchodní podnikání ve 21. století. Prague: Grada. ISBN 978-80-247-4780-4.
 8. NEE, P.W., 2014. How to Get Rich by Exporting: Make it Big in the Export Business. Boston: The Internationalist. ISBN 978-1495322624.
 9. SCHAFFER, R., F. AGUSTI, L.J. DHOOGHE, 2014. International Business Law and Its Environment. 2nd ed. Stamford: Cengage Learning. ISBN 978-1-305-14301-2.
 10. SHIM, J.K., 2016. Accounting and Finance for the Non Financial Executive: An Integrated Resource Management Guide for the 21st Century. London: CRC Press. ISBN 978-1-4200-2563-7.
 11. SINGH, R., 2009. International Trade Operations, 2nd ed. New Delhi: Excel Books. ISBN 978-81-7446-735-5.
-