

GR Strategies for Frontier Markets, South Korea and Thailand

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Prepared by:



H.K. Park
Vice President, The Cohen Group
(202) 863-7206
hpark@cohengroup.net
www.cohengroup.net

Characteristics of “Frontier markets”

- Smaller than **G-10** economies
- Non-English speaking
- Difficult business conditions
 - Non-democratic government (Vietnam)
 - Government in crisis (S. Korea, Turkey)
 - Sanctions (Cuba, Vietnam)
 - Anti-American views (Ecuador, Venezuela)
 - *Corruption*
- Most foreign companies have local sales team but no GR capability

Universal best practices



Be careful about “door openers”



Universal best practices

1. Define your corporate objectives

Reverse a denial

Obtain approval

Obtain a waiver

Win a contract

Shape a regulation

Delay implementation

What is the consensus goal?

Universal best practices

2. Assign a company lead

CEO/
President

VP, U.S.
Govt. Affairs

VP, International
Govt. Affairs

VP, Media
Relations

General
Counsel

Country
Manager

VP, Regulatory
Affairs

VP,
Operations

VP, Business
Development

Who takes the lead?

Universal best practices

3. Tailor your message

- Explain how your corporate objective advances their national goal
 - Economic impact: jobs, quality of life, tech transfer, offsets, local teaming
 - Political impact: regional competition, stature
- Account for:
 - Cultural dynamics/face-saving
 - Perception of your company and product/service
 - Relationship with U.S. government
 - National pride
 - Protection of local companies
- Corporate threats and deadlines rarely work



Universal best practices

4. Understand decision-making process

➤ Who are the decision-makers?

- PM/President, royalty, military
- Ministry/agency leadership
- Senior mentors, scientific and policy advisors



➤ What is the government decision-making process?

- Priorities and policies
- Politics
- Budget
- Timing
- *Role of corruption*



Universal best practices

5. Deploy your messenger(s)

Company

Coalition

Consultant

U.S. govt.

Local
stakeholders

Foreign
govt.
advocate

S. Korea case study

- U.S. cruise line company entered embryonic Korean cruise market
- Regulators unfamiliar with cruise industry (fines, delays, uncertainty)
- Corporate goal was to change in Korean quarantine rules consistent with global rules
- Company selected chief medical officer to lead
- Company message appealed to Korean desire for tourism dollars, national pride and potential maintenance work on cruise ships
- Company successfully convinced regulator to global rules on trial basis for the company



Thailand case study

- American consumer products company fined ~\$400m by Royal Thai Customs
- Customs officials collect % of tax assessed
- Corporate goal was to cancel \$400m fine
- GC led the effort to protect local office
- Tried to align message with Thailand's WTO concerns, international reputation, anti-corruption initiative
- U.S. government advocacy unhelpful due to tense relationship since 2014 military coup
- Company accepted Plan B -- delayed implementation of the fine



Questions?

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