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Strategic Planning of Business Internationalization

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Abstract. *In the context of globalization accompanied by geopolitical instability, armed conflicts, and structural disruptions in global supply chains, business internationalization is transforming from a growth-oriented option into a critical condition for corporate survival and long-term competitiveness. The purpose of the article is to develop an integrated analytical and methodological framework for strategic planning of business internationalization under conditions of geopolitical tension and market instability. The research is based on a comprehensive methodological approach that combines theoretical generalization, analytical synthesis, comparative evaluation of strategic models, and systematic interpretation of internationalization processes. The study applies structured analysis of strategic planning instruments, logical modeling of international market entry decisions, and qualitative assessment of organizational, financial, logistical, and marketing components of international expansion. Particular attention is given to adaptive planning methods suitable for high-risk and wartime environments. A structured sequence of strategic planning stages is proposed, emphasizing the interdependence between market analysis, entry strategy selection, supply chain organization, financial risk management, and marketing adaptation. The research demonstrates that flexibility, diversification, continuous monitoring, and scenario-based decision-making significantly enhance the resilience of companies operating in unstable international conditions. The findings also highlight the growing importance of strategic tools that allow firms to mitigate geopolitical, financial, and logistical risks while preserving strategic coherence. The practical value of the article lies in the applicability of the proposed framework for managers, entrepreneurs, and strategic planners involved in international business development. The results can be used to improve strategic decision-making, reduce operational and financial risks, and design more resilient internationalization strategies tailored to volatile and high-risk global environments. The study may also serve as a methodological basis for further applied research and corporate strategic planning initiatives.*

Keywords: *business, internationalization, management, strategic planning, market instability.*

JEL Classification: *F23, F47, O21*

Стратегічне планування інтернаціоналізації бізнесу

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Анотація. В умовах глобалізації, яка супроводжується геополітичною нестабільністю, збройними конфліктами та структурними порушеннями у глобальних ланцюгах поставок, інтернаціоналізація бізнесу стає критичною умовою для виживання підприємств та їх довгострокової конкурентоспроможності. Метою статті є розробка аналітичної та методологічної бази для стратегічного планування інтернаціоналізації бізнесу в умовах геополітичної напруженості та ринкової нестабільності. Дослідження базується на комплексному методологічному підході, який поєднує теоретичне узагальнення, аналітичний синтез, порівняльну оцінку стратегічних моделей та систематичну інтерпретацію процесів інтернаціоналізації. У дослідженні застосовується структурований аналіз інструментів стратегічного планування, логічне моделювання рішень щодо виходу на міжнародний ринок та якісна оцінка організаційних, фінансових, логістичних та маркетингових компонентів міжнародної експансії. Особлива увага приділяється адаптивним методам планування, які доцільно використовувати в умовах високого ризику та воєнного часу. Запропоновано структуровану послідовність етапів стратегічного планування, що підкреслює взаємозалежність між аналізом ринку, вибором стратегії виходу, організацією ланцюга поставок, управлінням фінансовими ризиками та маркетинговою адаптацією. Дослідження демонструє, що гнучкість, диверсифікація, постійний моніторинг та прийняття рішень на основі сценаріїв значно підвищують стійкість підприємств, які працюють в умовах нестабільності. Результати також підкреслюють зростаючу важливість стратегічних інструментів, які дозволяють підприємствам пом'якшувати геополітичні, фінансові та логістичні ризики, зберігаючи при цьому стратегічну узгодженість. Практична цінність статті полягає в тому, що запропоновану структуру можуть використовувати менеджери, підприємці та стратегічні планувальники, які займаються розвитком міжнародного бізнесу. Результати можуть бути використані для покращення прийняття стратегічних рішень, зниження операційних та фінансових ризиків, а також розробки більш стійких стратегій інтернаціоналізації, адаптованих до нестабільних та високоризикованих глобальних середовищ. Дослідження також може служити методологічною основою для подальших прикладних досліджень та ініціатив корпоративного стратегічного планування.

Ключові слова: бізнес, інтернаціоналізація, менеджмент, стратегічне планування, ринкова нестабільність.

1 Introduction

In the context of today's rapidly changing global environment, business internationalization has become a central driver of corporate development and competitiveness. The novelty of this research lies in its integrated approach to analyzing internationalization not only as a classical economic and organizational process, but also as a strategic response to geopolitical instability, wartime disruptions, and increased uncertainty in global supply chains. Such a perspective expands the traditional understanding of internationalization and highlights the need for more flexible and resilient strategic solutions.

The growing dependence of enterprises on global markets, the intensification of international competition, and the strategic importance of diversifying markets, production networks, and logistics routes is very important nowadays. In this context, the ability of companies to engage in successful internationalization becomes a key factor of long-term sustainability and economic security.

The purpose of this research is to develop a comprehensive analytical and methodological framework for strategic planning in the process of business internationalization, with particular attention to conditions of geopolitical tension and market instability.

To achieve this purpose, the study sets the following research tasks:

- to summarize and compare key theoretical approaches to business internationalization;
- to identify and systematize strategic planning tools and models applicable to international market entry;
- to analyze the stages required for effective internationalization and evaluate their interdependence.

The methods used in developing this article include a combination of theoretical analysis, synthesis of classical and modern internationalization concepts, comparative assessment of strategic models, and critical interpretation of academic frameworks.

The article proceeds from general theoretical concepts to specific strategic tools and practical recommendations. First, foundational theories of internationalization are reviewed. Then, strategic planning instruments and analytical models are systematized. Finally, the stages of internationalization are examined, with an emphasis on wartime and high-risk environments.

2 Business internationalization definitions

Business internationalization is the process through which a company expands its operations beyond its domestic market and enters the international arena. This process provides firms

with new development opportunities, broadens their customer base, allows them to benefit from global market advantages, and reduces risks associated with dependence on a single market.

Internationalization involves a company's participation in international trade, cooperation, investment, and other forms of activity in foreign markets. It may occur through exporting, establishing foreign branches or subsidiaries, creating joint ventures, franchising, or conducting transnational operations.

Johannes Johansson and Jan-Erik Vahlne [5, p. 8] define internationalization as a process of gradually increasing a firm's international involvement, accompanied by the adaptation of its strategy and structure to the conditions of foreign markets. Peter Buckley and Mark Casson [2, p. 240] consider internationalization a process in which a firm expands its foreign activities through control over production and markets, aiming to minimize transaction costs and enhance efficiency. John Dunning [3, p. 5], within his eclectic (OLI) paradigm, argues that internationalization occurs when a company possesses ownership, location, and internalization advantages that motivate its entry into international markets.

Although these approaches emphasize different aspects of internationalization, they all highlight the importance of strategic adaptation and planning within the global business environment.

The advantages of business internationalization span economic, competitive, risk-related, and reputational dimensions.

Economic advantages include access to new markets and expanded sales potential, cost optimization achieved by locating production in countries with cheaper resources or labor, as well as opportunities to benefit from preferential tax regimes or government support available in other jurisdictions [11, pp. 62–63].

Competitive advantages are formed through an increase in production scale, which leads to lower unit costs, access to advanced technologies, know-how, and innovations, and improved efficiency of business processes as a result of global integration.

Reputational advantages include enhanced credibility and the ability to position the company as an international leader within its industry, which in turn facilitates the attraction of new partners, investors, and consumers.

The internationalization process consists of several sequential stages that reflect the level of a company's involvement in international activities and its degree of adaptation to the global marketplace [7, pp.1240–1241].

Overall, internationalization is a complex and multifaceted process requiring careful management. Successful entry into international markets depends on strategic planning, effective organizational structuring, monitoring, and the ability to adapt to a dynamic external environment.

Strategic planning for business internationalization plays a fundamental role in ensuring successful global expansion. It includes identifying key development directions, assessing potential markets, and formulating a comprehensive market-entry strategy.

3 Strategic planning as part of the business internationalization and its methods

Effective management of internationalization requires the coordination of all business processes at the global level. Organizational adaptation involves creating an appropriate corporate structure, developing effective HR management systems, and adjusting logistics chains and production facilities to international conditions.

Attracting qualified specialists with experience in international business is a key success factor. Companies may rely on local personnel to obtain deeper market insight or assign specialists from the headquarters to maintain control over core processes and ensure strategic alignment.

Any international business activity is associated with financial risks, including currency fluctuations, regulatory uncertainty, and economic crises. After entering foreign markets, a company must continuously monitor performance indicators and adjust its strategy in a timely manner.

Monitoring financial results requires controlling revenue, expenses, profitability, and return on investment – elements that are essential for the long-term success of international operations. Therefore, the company must develop an effective system of financial analytics and auditing [9, pp. 205–206].

Global expansion demands flexibility and rapid adaptation to changing external conditions. Companies often expand their presence in several countries to reduce dependence on a single region and mitigate macroeconomic risks. Business-process optimization may include automation of international operations, digitalization of financial reporting, development of new sales channels, and the integration of innovative production technologies.

Strategic planning for internationalization traditionally consists of three interrelated stages. First, a company selects target markets by thoroughly evaluating potential countries and regions in order to identify the most promising

directions for expansion. This evaluation involves analyzing economic growth, political stability, purchasing power, the level of competition, regulatory restrictions, and cultural characteristics. Second, the firm determines the most appropriate mode of market entry by choosing among options such as exporting, franchising, joint ventures, or foreign direct investment. This decision is influenced by the company's available resources, risk tolerance, and capacity to adapt to local market conditions. Third, financial planning is conducted, which requires accounting for market entry costs, marketing expenditures, logistics, product adaptation, and potential tax burdens. An assessment of financial risks enables the company to determine the necessary level of investment and to estimate expected profitability.

Strategic planning for business internationalization involves the use of various models and methods that help companies analyze the global environment, determine strategic goals and develop effective approaches to entering international markets.

At the first stage of strategic planning, companies typically use analytical models such as: PESTEL analysis, SWOT analysis, and Porter's model.

PESTEL analysis evaluates the macro environmental factors affecting an organization. It helps identify risks and opportunities associated with international markets.

Porter's Five Forces model evaluates the competitive intensity of an industry and identifies factors influencing profitability. In the context of international operations, it helps assess competitive risks and opportunities across global markets.

SWOT analysis enables companies to assess internal resources and external environmental conditions. It identifies strengths and weaknesses, as well as opportunities and threats relevant to international expansion [10, p. 787].

In addition, other strategic planning models can be applied the CAGE model and the BCG (Boston Consulting Group) model.

The CAGE model is used to analyze cultural, administrative, geographic and economic differences between countries and helps evaluate the complexity of entering a specific market.

The BCG model assesses a portfolio of products or business units in the context of international markets and supports the optimal allocation of resources.

Beyond conceptual models, companies apply various strategic planning methods, including scenario planning, benchmarking, risk analysis, Delphi analysis method, portfolio analysis method, and strategic alliance method.

Scenario planning involves developing multiple potential future scenarios for international markets. This approach helps companies prepare for economic crises, political instability, or disruptive technological changes.

Benchmarking consists of analyzing the practices of global competitors or industry leaders to identify and adopt best-performing approaches.

Risk analysis allows companies to assess political, economic, financial, and legal risks associated with market entry and develop strategies to mitigate them.

The Delphi method gathers expert opinions to forecast future trends in international markets, offering a more objective perspective on long-term developments.

Portfolio analysis evaluates different markets or product groups in the company's international portfolio and helps determine priority areas for investment and potential markets for exit.

The strategic alliance method involves cooperation with other firms in international markets to achieve shared goals. This may include forming joint ventures, licensing agreements, franchising arrangements, or other partnership forms.

4 Stages for strategic planning of business internationalization

In the context of war, enterprises face unprecedented challenges, particularly in international trade. For successful interaction with the international market, the company must develop a clear strategic plan. It is recommended that the company include five stages in its strategic plan for business internationalization.

First stage – analytical – involves assessing the current state of the company, researching the international market, and studying the legal conditions. The study of the market, competitive environment, legal and cultural aspects is a key element of strategic planning in the process of business internationalization. Companies seeking to enter the international market first determine the goals of the analysis, aligning them with long-term strategic objectives. At this stage, a general understanding of market opportunities, the level of competition, regulatory specifics, and business culture is formed. A clear definition of goals determines the direction of subsequent actions, influences the selection of research instruments, and forms the basis for developing international development scenarios [6, pp. 2228–2229].

Organizational support for research includes the creation of a working group, the selection of information sources, and the formation of a

methodological base. A team of analysts and experts must ensure a comprehensive study of the market environment, legal requirements, competitive strategies, and socio-cultural factors. The team should be formed in such a way that every aspect of the international market is professionally covered, in accordance with the principles of strategic management. For the analysis, official statistical data, regulatory documents, studies of international organizations, reports of industry associations, and the experience of companies already operating in similar conditions are used. These sources serve as the basis for forecasting, risk assessment, and identification of potential competitive advantages [8, p. 44–45].

Market research involves the collection of primary and secondary information, analysis of supply and demand dynamics, assessment of investment activity, and identification of key trends such as digitalization, environmental orientation, and the introduction of innovative technologies. Market segmentation helps determine the most promising entry directions, assess price conditions, and examine the characteristics of major projects. These data make it possible to understand the structure of the industry and build a model of the company's behavior in the new market, considering long-term strategic priorities.

Competitive analysis is an important component of strategic planning, as it allows assessing the positions of the main market players and comparing their financial indicators, technological capabilities, levels of innovation, product quality, and access to resources. Comparison of different types of companies – large corporations, private enterprises, and international participants – helps determine optimal strategic positioning and develop solutions for forming partnerships, choosing a market niche, and building competitive advantages.

Legal analysis is aimed at examining the legislation regulating licensing conditions, certification requirements, environmental and urban planning standards, as well as the mechanisms of state support. A comprehensive assessment of the legal framework makes it possible to identify potential barriers for foreign business, determine regulatory risks, and choose the most appropriate legal form of market presence. The involvement of legal consultants and experts in international law ensures accurate interpretation of regulations and reduces the risk of errors in managerial decision-making.

The cultural environment significantly influences business processes, negotiations, management structures, and consumer preferences. Knowledge of cultural norms enables the adaptation

of communication strategies, improves negotiation effectiveness, and strengthens the company's position in the new market [1, pp. 95–100].

At the final stage of the research, strategic recommendations are formulated. These include the identification of promising regions, the selection of a partnership model, optimization of the legal structure of activities, development of a marketing strategy, and assessment of financial prospects. All these elements are integrated into a comprehensive internationalization strategy based on data and considering market, legal, cultural, and competitive conditions. Such an approach ensures realistic planning, reduces risks, and increases the probability of successful entry into the international market.

The second stage of strategic plan for business internationalization – formation of a strategy for entering the international market – involves choosing an appropriate business model. At this stage, the target segments of the international market must be determined. To successfully enter the international market, the company must find reliable partners – suppliers, contractors, distributors, or investors. Depending on business goals, it is necessary to clearly determine the types of partners needed.

The third stage includes organizing logistics and supplies to the international market. For trade activities, diversification of supply chains is particularly important, as materials, equipment, and technologies are often supplied over long distances, and geopolitical risks may significantly affect logistics. Recommendations for diversifying supply chains for the company include:

- assessment of current supply chains, including identification of key routes for material exports and analysis of dependence on specific ports, suppliers, and transport corridors;

- development of alternative routes;

- cooperation with logistics companies;

- use of technologies for supply chain monitoring. It is advisable to implement real-time tracking systems (GPS tracking, RFID technologies) and use logistics management platforms such as Flexport [4];

- planning for emergency situations, including the development of action scenarios in the event of route blockades, sanctions, or other crises, and regular testing of alternative routes to ensure their operability.

The fourth stage of strategic plan for business internationalization covers financial planning and investment. As part of financial planning, it is recommended to apply risk hedging, namely the use of currency insurance to minimize the

risks of exchange rate fluctuations and potential losses.

A hedging strategy for operating in international markets should be based on a comprehensive approach to risk management. It begins with a thorough assessment of currency risks, including the determination of the volume of foreign currency transactions and their share in the company's total expenditures. To reduce exposure to exchange rate fluctuations, companies may use forward contracts that allow exchange rates to be fixed for future payments. In addition, opening a multi-currency account can facilitate more efficient management of international cash flows. An effective hedging strategy also requires continuous monitoring of currency market trends and timely adaptation of the strategy in response to changing market conditions.

The fifth stage of strategic plan for business internationalization includes developing a marketing strategy. The company's marketing strategy should include the adaptation of marketing materials for the international market (taking into account cultural characteristics) and participation in industry events.

5 Conclusions

Business internationalization represents a complex and strategically significant process that enables companies to strengthen competitiveness, expand market presence, and ensure long-term stability in an increasingly interconnected global economy. The study confirms that successful internationalization requires a combination of theoretical understanding, analytical precision, and practical adaptability.

Effective strategic planning is an exceptionally important cornerstone of successful business internationalization. Proper strategic planning reduces uncertainty, enhances decision-making quality, and ensures that each stage of international expansion aligns with long-term corporate objectives. Without a structured and forward-looking planning framework, even companies with substantial resources risk facing operational disruptions, regulatory obstacles, and financial losses. Therefore, strategic planning serves not only as a management tool but as a critical precondition for sustainable international growth, resilience, and competitive advantage in volatile global markets.

Classical theories for strategic planning remain relevant but must be complemented by modern strategic instruments tailored to contemporary challenges. Analytical models including PESTEL, SWOT, the CAGE framework, and Porter's Five Forces provide an important basis for evaluating

foreign markets, while scenario planning, risk management tools, and benchmarking support decision-making in uncertain environments.

The proposed strategic planning framework highlights the importance of a sequential yet flexible approach: beginning with comprehensive market and internal analysis, followed by choosing the optimal entry strategy, organizing supply chains, ensuring financial resilience, and developing an adaptive marketing strategy. Special attention is given to wartime and high-risk conditions, where diversification of supply chains, currency hedging, and continuous monitoring become critical elements of survival and growth.

Overall, the research contributes to a deeper understanding of internationalization as an integrated management process that requires analytical rigor, organizational transformation, and strategic foresight. Companies that effectively combine these elements are better positioned to succeed in complex and volatile international markets.

Further research should focus on the impact of digital transformation on internationalization strategies, the role of artificial intelligence in global decision-making, and the development of adaptive models capable of functioning effectively in conditions of deep geopolitical uncertainty.

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