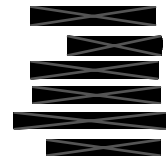



Case Number 03-2021

Amber Ramirez



Faculty Member: 

# **Dotcom Monitor: Looking to Expansion into New Coming E-commerce Software Monitoring Markets**

## **Executive Summary**

### **Synopsis**

The team was tasked with determining the most strategically advantageous market for Dotcom Monitor's international expansion, specifically focusing on either the United Kingdom or Brazil. Dotcom Monitor, a vanguard in e-commerce software monitoring, is distinguished by robust cybersecurity solutions and a global network of programming talent. The company's innovative approach and commitment to excellence have fostered substantial growth and resilience in diverse markets. The analysis highlighted the contrasting dynamics of the UK and Brazil's markets: the UK's mature, tech-savvy market with rigorous data protection laws, and Brazil's emerging, yet rapidly evolving digital landscape. To address this challenge, the team conducted a comprehensive analysis, leveraging a blend of primary data from company insiders and secondary data from authoritative sources. They scrutinized the political, economic, social, and technological environments of both markets, delving into factors like cybersecurity demand, legal frameworks, and cultural dimensions. This methodical approach enabled a thorough understanding of the potential risks and opportunities in each market, setting the stage for a well-informed strategic decision.

### **Methodology:**

### *Methods for Data Collection:*

To source data, the group has used numerous sources. For example, to gather information about Brazil's digital transformation the Northeastern University OECD iLibrary was utilized. In addition, university research (Michigan State University) has been used too. Government websites have also proven to be helpful as there is aggregated and specific data that other sources do not have access to.

The main contact that the group is able to get in touch with is Vadim Mazo. Vadim Mazo is the founder and CTO of Dotcom Monitor. One group member is a direct relative of Vadim Mazo, and is able to meet with him virtually (Zoom, FaceTime, etc) as Dotcom Monitor is based in Minnesota. Other modes of communication include email and iMessage. Direct data from the company regarding the company's origin, the services it provides, and more is able to be sourced from Vadim Mazo. One of the most important pieces of data acquired is the different locations that Dotcom Monitor has expanded to.

In order to aggregate and analyze the collected data, a number of methods were used. First, a resource that was used to compare and contrast workplace culture was Hofstede's *Country Comparison Tool*. This tool helped to match up our target countries' cultural dimensions with the home countries' cultural dimensions. To further compare the countries on a macro level a S.W.O.T analysis was utilized. This helped to create a big picture of the opportunities and threats that Dotcom Monitor faced in both targeted countries (Brazil and UK). This helped the group to analyze and finally decide on which country to globalize to. Lastly, for the financial projections a mock break even analysis was used.

### **Challenge Statement:**

Following the drastic increase in technological innovations, particularly in internet-related advancements, CTO Vadim Mazo established DotCom Monitor. DotCom Monitor specializes in technology consulting, specifically focusing on enhancing the internet to make it a better place to deliver confidence for the company's clientele. Dotcom Monitor protects the company's websites in order to safeguard the company's operations. After a comprehensive evaluation of the company's current output and financials, CTO Vadim Mazo concluded it was time for Dotcom Monitor to globalize into a new country. As the company grew in its home location of Minnesota and expanded into other states throughout the country, enough funding was secured to globalize into Canada.

Now, in the Fall of 2023 and Spring 2025, following extensive analysis of various markets, it's evident that the tech consulting industry in Brazil and the United Kingdom is expected to grow 11.35% and \$4.95 billion, respectively. Thus, with the increase in demand in the cybersecurity industry, these markets were deemed to contain the most potential for the company's growth. Vadim Mazo led the company's globalization into Poland and Belarus, leveraging his experience to tackle this new challenge. Vadim began working on globalizing his company around 2005-2007 where he previously assigned his programmers from Poland, Belarus, and India to conduct research on the previous markets, which allowed them to successfully find a prosperous market and a suitable entry. However, being a mid-sized company, DotCom Monitor does not have the funding to expand into both Brazil and the United Kingdom. Thus, a decision needs to be made.

Vadim and his team focus on the base country, gaining capital and funding, which they then utilize to globalize into another country and continue their compounding growth. Thus, the current challenge is analyzing the correct market for globalization. DotCom Monitor is looking to enter a market where they'll be exposed to different clientele, especially in countries with an increase in demand for cybersecurity, tech consulting, etc, such as Brazil and the United Kingdom. With the increase in demand for IT consulting services in these countries and the growth in their ecommerce industries, companies have placed an increased emphasis on data privacy. Therefore, Dotcom's service will be further needed in order for these companies to comply with data protection regulations, such as GDPR in the United Kingdom and LGDP in Brazil. This challenge is crucial for DotCom's current state in the industry as their competitors are beginning to globalize/expand.. Thus, Dotcom is looking to capitalize on a variety of benefits from globalization into Brazil or the UK, such as first mover's advantage, access to a new large market, diversification of revenue sources, differentiation of the company from competitors and positioning it as a global player in the industry, strategic partnerships with local businesses (mutual benefits and knowledge exchange), possible optimization of tax advantages, scalability and fostering long term growth, and an increase in cultural diversity within the company.

# Company Background:

## Business Model

Dotcom Monitor was established in 1998 when Vadim Mazo created a computer program dedicated to monitoring other websites. **(Exhibit 1)** The company is based in Minnesota, with additional programmers all over the world in Poland, Belarus, and India. According to Vadim, having programmers worldwide allows for better customer satisfaction and improves business plans for expansion. Vadim set out to make e-commerce and online websites more secure and verified for all users and companies. His mission was to make sure that there was a new era of staple and trusted online presence for others' online traffic. Because technology is constantly changing, programming is constantly developing and evolving to add additional tools to the market to make clients online products and services more reliable.

## Operations and capabilities

Vadim Mazo was working for a shell company of American Express. The problem arises when customers would have to make a purchase and would have only 30 seconds to have a secure connection for the purchase that had to be monitored in those 30 seconds. Mr. Mazo, having a computer science degree, wanted to make an easier and more reliable way for their connection to be monitored and secured. In 2003, he created a computer coded program that would allow for extra observation on the website. The program allows an easier flow of the service being provided with the outcome of statistical analysis for how the website is running and any problems or issues that are arising with the website's firewall.

Shortly after creating the computer program, Mr. Mazo set out to capitalize on his new invention to support his family. He started the company, Dotcom Monitor to allow clients to come and ask for help on their new and upcoming websites. At the time, the internet was still forming and was a new resource for many. He had the upper hand because he was one of the first to enter the market. He created an office in Minnetonka, Minnesota, and established a team of programmers and creative directors to help shape the company. He worked on establishing a base in the United States. After a few years, he reached back to his roots in Belarus and started to outsource some of the programming to those across the globe. Since technology is constantly changing, which includes the internet, Dotcom Monitor always has to be evolving and changing. They have expanded exponentially globally with their clientele ranging from Japan to Hawaii, which they currently have a few clients in Brazil and the United Kingdom. Due to their vast and wide client's location, there needs to be an addition to the programming skills, which is why Mr. Mazo reached out to Poland and India to get more employees to help with programming power. **(Exhibit 2)** He changed the focus of the Minnesota office to run as the headquarters. From then on, Vadim took on more of an administrative role than a programming job.

When a Client reaches out to the company, they could be asking for a multitude of reasons to help with the website of the company. They could be asking about web monitoring, performance tracking, and API monitoring, or all the above. They will first meet with the advisor about what are the needs and desires for the client and they will work together to get the plan they want. Then a program will be set up to develop, analyze, and monitor the website. After all is done there will be a report created showing how the e-commerce site, or network is holding up. **(Exhibit 17)**

## Resources

The company started out as one to test how the website was monitored but added more tools to make the company stronger and more efficient. They were the first company to introduce one-minute monitoring. They now have tools such as Web Applications, Web Services, Page Performance, Infrastructure, Application Performance

Monitoring, and Load/Stress Testing. The company also offers solutions to how to fix any problems that are arising on the online platform. They offer a very hands-on approach when dealing with customers and clients. They were the first to market the first WYSIWYG application monitor script recording and to monitor IPv6 to receive phone-based alerts as well. They have a very client-to-service aspect of the business and always want the customer to feel like their needs are being met. Their big clients include Dish, Aflac, Citrix, Dell, Comcast, and more. Dotcom-Monitor also works with third-party programs that allow them to help their clients such as Slack, Asana Project Management, Splunk, Dynatrace, Microsoft Teams, Okta, and more.

## Leaders Thoughts

They want there to be a positive work environment for all their employees and for their customers. However, since COVID they have moved to more of an all remote environment. According to Mr. Mazo, (**Exhibit 3**) this has significantly improved work productivity and revenue since there is a lower fixed cost on rent for offices. With the ability to be a more remote company, there has also been the easy capability of easier global expansion. There is more flexibility when meeting people worldwide and there isn't a requirement to meet in person. This is the perfect market for global expansion due to the already set in business model. Overall, the company is now looking to expand its client base worldwide and is less focused on the United States.

## First Market United Kingdom

### Political

The United Kingdom is a Constitutional Monarchy. It can be considered relatively unstable politically, as it has had three different prime ministers in 2022 alone and recently mourned the loss of a long-term monarch, Queen Elizabeth II. Additionally, in January of 2020, the United Kingdom chose to leave the European Union in a controversial political decision known as Brexit. As a result, businesses are currently facing many consequences including worsening inflation and making imports more expensive. Additionally, the UK is a highly individualistic society (**Exhibit 11**). Therefore, employees value personal goals, innovation, and competition. This could be a catalyst for further technological growth and advancement.

### Economic

The United Kingdom has a GDP of \$3.136 trillion (2022 est.) and an rGDP growth rate of 4.1% (2022 est.), ranking 8th in purchasing power parity globally. The UK's economic growth has been fueled by its open and diversified market, attracting significant foreign investment. However, this foreign investment has fallen after the UK chose to exit the European Union (**Exhibit 12**). Yet, there still is significant foreign investment, especially in the technological sector. This offers DotCom Monitor opportunities for advancement and a greater demand for services. However, since the market has been growing steadily in recent years, DotCom Monitor will most likely not experience first-mover advantages.

### Social

The United Kingdom has a population of 67.33 million with a high Human Development Index of 0.929 (2021). Currently 18.6% of the population is made up of residents 65 years old and above. In terms of Hofstede's Cultural Dimensions, the UK scores low for power distance, placing less of an importance of a hierarchy in the workplace, more 'masculine' rather than feminine, low for uncertainty avoidance, indicating a higher comfort for sudden changes, and neutral for long term orientation. These scores are very similar to the scores in the United States, demonstrating that DotCom Monitor would not have to make many cultural changes in order to expand to the United Kingdom (**Exhibit 11**).

## Technological

Internet usage stood very high at 97.8 percent at the start of 2023, growing steadily from 97.3% in 2020 (**Exhibit 13**). Since DotCom Monitor is primarily a technological company with an emphasis on cybersecurity, the potential market will be quite large in the United Kingdom. The cybersecurity sector has added over 5,300 jobs through England. Additionally, the UK ranks as the third largest exporter of cybersecurity services globally, indicating positive market potential for DotCom Monitor. United Kingdom tech trends include AI, cloud computing, and big data, all sectors that require cybersecurity. Furthermore, the increasing emphasis on digital literacy within the public sector in the UK reflects a growing importance of data privacy.

## Environmental

The UK's recent adoption of the Environment Act 2021, aimed at achieving net zero carbon emissions by 2050 and a significant reduction in emissions by 2035, signifies a heightened focus on environmental sustainability (**Exhibit 14**). This shift aligns with the increasing global emphasis on green technology, providing an opportunity for DotCom Monitor to position its cybersecurity solutions as an integral part of businesses' efforts to meet these environmental goals. Additionally, the cybersecurity industry is part of an IT industry that contributes to carbon emissions, leading to climate change. Furthermore, despite the UK's exit from the European Union, its geographical proximity to European countries remains advantageous.

## Legal

Laws concerning cyber security in the United Kingdom include the Data Protection Act of 2018. This law regulates how personal data is used and processed. Additionally, the UK General Data Protection Regulation and the Computer Misuse Act 1990 are the main laws that protect digital use (**Exhibit 15**). These laws make companies more committed to cybersecurity, heightening the need for a company like DotCom Monitor.

## Software Monitoring Industry in UK

The market for cybersecurity is currently estimated at USD 14.24 billion (2023) and is expected to grow greatly and reach USD 23.37 billion by 2028 (**Exhibit 10**). The United Kingdom has well-developed infrastructure and well-established regulatory frameworks. Extensive internet access is widely available across the country, providing an environment for technology companies to thrive (**Exhibit 13**). The UK government actively invests in technological research and supports private technology firms and initiatives such as digitizing public platforms. With this strong technological foundation, there is a growing demand for cybersecurity measures to safeguard against potential threats and ensure the secure advancement of technology and innovation.

## Other Factors

The UK has stringent anti-bribery laws, notably the Bribery Act 2010 (**Exhibit 16**). This legislation makes it illegal to engage in bribery both domestically and internationally. Any company expanding to the United Kingdom must ensure compliance with these anti-bribery regulations in all its business dealings. Furthermore, the United Kingdom is committed to free international trade, as evidenced by its 38 active free trade agreements with nations and trade blocs.

## Feasibility

In order to minimize potential risks and maximize the opportunities highlighted above, DotCom Monitor should do the following if choosing to globalize to the United Kingdom. If DotCom Monitor chooses to expand to the United Kingdom, it is highly advised that they should hire individuals to monitor the political risk in case of any future changes in the government. They should also develop contingency plans that detail risk management and the safeguarding of assets in case of political uncertainty. Furthermore, DotCom Monitor's expansion to England can benefit from trend of a booming and growing tech industry by offering tailored cybersecurity solutions and training programs that cater to the specific digital literacy needs of the public sector. Finally, in response to environmental concerns and geographical benefits, DotCom Monitor should position itself as a company committed to sustainability. Also, DotCom Monitor could potentially use the UK as a strategic base to access European markets, leveraging existing infrastructure.

## **Second Market Brazil**

### **Political & Legal Environment**

In the past several years, there has been political instability in Brazil. The country is a Federal Presidential Republic, meaning the government is very powerful via the constitution. However, this power is often insatiable due to the fact that twelve parties are represented in the Brazilian National Congress and politicians within those parties often switch around. The previous president, Jair Messias Bolsonaro, implemented many conservative policies during his term. He promoted deregulation and a pro-business platform. This created controversy and a divided political nation within Brazil. It has led to an increase in corruption and bribery within business. **(Exhibit 4)**.

Brazil uses a civil law system. As of 1988, their constitution was the law of the land. It delegated rights to the people and established the government's structure. However, there are 26 Brazilian states, and each of them has its own smaller constitution. The federal government oversees all 26 states. The laws in Brazil make business very straight forward. The government has implemented measures to ease the legality of practicing business within the country. This has served to improve the economy and attract foreign investors. Brazil has been able to make and maintain many international trade agreements with other countries. **(Exhibit 9)**

### **Economic**

Brazil has a GDP of \$4.101 trillion (2023 est.) and an rGDP growth rate of 3% (2023 est.). Brazil has one of the largest economies in Latin America. It is built strongly on agriculture, service, mining and manufacturing. These sectors have led Brazil to grow as an exporter across the world. They have attracted many foreign investors through their strong agricultural exports such as coffee and soybeans. The country's economy has issues when it comes to inflation and income inequality. The government has made many implementations to limit inflation; however, it still remains an issue. This has led to high interest rates, which threaten economic growth. DotCom Monitor would need to be aware of this risk and understand that it could impact the rate at which they grow. The issue of income inequality is very prevalent in Brazil. A small percentage of the population controls a sizable portion of the nation's wealth. These issues have led to government reforms within the country. They have been aimed at easing the economy and improving business environments. **(Exhibit 5)**

### **Social**

Brazil has a population of 214.3 million with a Human Development Index of 0.754 (2021). As for Hofstede's Cultural Dimensions, Brazil scores a high 69 in Power Distance, reflecting an unequal distribution of power. As for the Individualism Index, Brazil scores a 38, indicating that the country values collectivism. Brazil is a very diverse country. There are citizens who are indigenous, Portuguese settlers, and African. The country takes pride in its diversity, immersing these cultures in food, music, and traditions. It is very popular in Brazil to mix ethnicity and race. Many citizens have a diverse bloodline and set of traditions. Religion and family are strongly

valued in Brazilian society. Catholicism is the dominant religion in Brazil, though there are other denominations of Christianity present in the country. Religious holidays and gatherings are very important to the people. They value celebrating with their family members and building strong connections. Family is prioritized in Brazil. An important piece of Brazilian society is the goal of protecting indigenous people and communities. There are many native citizens who aim to preserve their culture and language. The culture in Brazil is often seen as sensativer, as they score a 49 on the Masculinity Index and a 76 in Uncertainty Avoidance. **(Exhibit 6)**

## **Technological**

In 2023, Brazil's internet usage was at 84.3%. Since 2022, there has been an increase of 4.1%. This change can be credited to an increase in funding toward technological research. This has given more citizens access to the internet. Many Brazilian businesses are looking to incorporate artificial intelligence powers such as blockchain and DeFi<sup>1</sup>. That said, there will be an increase in the industry leading to a higher demand for security. If DotCom Monitor enters the market before 2024, they could experience first-mover advantages.

## **Environmental**

Brazil is home to the Amazon Rainforest, the world's largest tropical rainforest. It covers the majority of the northwestern country. It is a vital concern for Brazil to preserve this ecosystem. Deforestation is highly illegal. This includes any agriculture, infrastructure, urbanization, or logging that could deteriorate the rainforest in any way. Furthermore, the Brazilian government is very focused on conserving water and other resources. They have invested money in renewable energy and implemented legislation regarding pollution. **(Exhibit 8)**

## **Software Monitoring Industry in Brazil**

Brazil has a very poor infrastructure and a lack of regulation. It has been a struggle to provide the entire country with access to the internet. This has made it hard for domestic technology companies to flourish. However, it is developing. The Brazilian government has invested in technological research in hopes of innovating the country. They have also invested in many private technology companies to help them grow. The market for cybersecurity is currently estimated at USD 3.03 billion (2023) and is expected to grow to USD 4.95 billion by 2028. Furthermore, they are trying to make digital many public platforms such as public transport maps and schedules, health care appointments, etc. With these steps towards a stronger technological environment, Brazil is in need of strong cyber security to protect them in the process of innovation and prevent mistakes along the way. **(Exhibit 7)**

## **Other Factors**

Due to political controversy from Brazil's past president, business corruption is a trending concern among the people of Brazil. The Brazilian-Anti Corruption Law (2013) is a strict article that forbids the bribery of public officials. The legal system in Brazil is very straightforward. DotCom Monitor will follow explicit instructions to avoid violating this act. That said, outwardly adhering to this law will gain the respect of Brazilian citizens and companies. This is very important given the culture of trust and connection in Brazil.

## **Feasibility**

In order for DotCom Monitor to take advantage of the positive qualities Brazil has to offer and avoid falling victim to the country's risks, they will need to strategically expand the company. To begin, they will need to ensure that the company requires minimal infrastructure in the country, as that could lead to controversy among the environment. When hiring employees, DotCom Monitor will need to present an ethical strategy that adheres to family oriented individuals. This could include paid vacations, religious holidays off, etc. Given the poor infrastructure in technology, DotCom Monitor must be cautious when gaining clientele., They should target

companies receiving funding from the Brazilian government in order to reduce the risk of taking on clients that will not be able to stay in the market in the long run.

## **Decision to Make**

Vadim Mazo needs information for Dotcom Monitor and an executive plan about market integration into either the United Kingdom and/or Brazil. He has already started to expand his product to Brazil, but it is important to see the benefits that the UK can provide the company to see where it would be best for the company to expand. He needs to first figure out what market will be most beneficial for the company, and then he needs to create a plan on how the company will expand into this new nation.

# Strategy Analysis & Recommendation

## Question in Focus

DotCom Monitor, a US-based company, currently employees numerous programmers in countries such as Belarus, Poland, and India, showcasing its dedication to global diversity and cross-cultural literacy. Founder and owner Vadim Mazo aims to expand the company's reach and acquire clients in a new country. After developing a substantial client base in the United States and other countries as well as specifically one potential client in Brazil, Mazo is deliberating between a full expansion to Brazil or an expansion to the United Kingdom. In addition to seeking new client opportunities, Mazo prioritizes maintaining a positive work environment—a value upheld by the current employee base in the United States, Belarus, Poland, and India. In order to promote this, the consulting team will analyze Hofstede's cultural dimensions as well as the political, legal, and environmental factors in Brazil and the United Kingdom to ensure the seamless integration of the company's values and the cultivation of a harmonious working environment across diverse cultural settings. Additionally, the consulting team will compare the economic and technological factors of both countries in order to better ensure the feasibility of expanding to either the United Kingdom or Brazil. After recommending a country, the consulting team will create a plan of action that will best emphasize the strengths and mitigate the weaknesses of the company.

## Comparative Data Analysis

<p><b>KEY:</b> Green: positive match between Brazil &amp; Dotcom Monitor.  <b>Yellow Highlight:</b> positive match between United Kingdom &amp; Dotcom Monitor.  <b>Red:</b> negative match between Brazil &amp; Dotcom Monitor.  <b>Purple:</b> negative match between United Kingdom &amp; Dotcom Monitor</p>		
Brazil	Dotcom Monitor	United Kingdom
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Forward thinking with businesses               <ul style="list-style-type: none"> <li>Government has implemented measures to make legality in businesses within the country more streamlined</li> <li>Attracts foreign investors</li> </ul> </li> <li>One of largest Latin American Economies               <ul style="list-style-type: none"> <li>GDP of \$4.101 trillion</li> <li>rGDP growth rate of 3%</li> <li>One of the main market focus are on services</li> </ul> </li> <li>Cultural Dimensions               <ul style="list-style-type: none"> <li>Similar motivation levels (achievement and success) as well as indulgence levels</li> </ul> </li> <li>Diverse Country               <ul style="list-style-type: none"> <li>Many different citizens: mainly indigenous, Portuguese, and/or African</li> <li>Large immersion in different cultures within food, music, and traditions</li> <li>Human Development Index of 0.754 (2021)</li> </ul> </li> <li>Environmental Growth               <ul style="list-style-type: none"> <li>Government is prioritizes conversation and decreasing CO2 emissions</li> </ul> </li> <li>Government is improving Cybersecurity</li> </ul>	<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Already established as a global entity               <ul style="list-style-type: none"> <li>Has already started slowly expansion in to Brazil and UK</li> </ul> </li> <li>Does not require a home office in the host country               <ul style="list-style-type: none"> <li>Busy can still be conducted at home office in parent country</li> </ul> </li> <li>World Wide Programers               <ul style="list-style-type: none"> <li>Having a variety of programmers will allow operations to always be working when others are down</li> </ul> </li> <li>Large Diversity in Workforce               <ul style="list-style-type: none"> <li>Able to work will all cultures and make lucrative business ventures due to their ability to work well with others</li> </ul> </li> <li>Easily able to expand due to large portion of company operations online               <ul style="list-style-type: none"> <li>Since the company works mainly remotely from all parts of the global, they are able to easily expand to new markets</li> </ul> </li> </ul>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Highly Individualistic Society               <ul style="list-style-type: none"> <li>Leads to technological growth and advancement</li> </ul> </li> <li>Data and IP Protection               <ul style="list-style-type: none"> <li>Main laws for protection of digital usage (Legislation 1990)</li> <li>Well-established legal regulation                   <ul style="list-style-type: none"> <li>Firms want increased cybersecurity</li> </ul> </li> </ul> </li> <li>Economic Power               <ul style="list-style-type: none"> <li>Ranked 8th in PPP globally</li> <li>rGDP growth rate of 4.1%</li> <li>Open and diverse market</li> <li>Large foreign investment in technological sector</li> <li>Free International Trade</li> </ul> </li> <li>Similar cultural dimensions to U.S               <ul style="list-style-type: none"> <li>Low score on power distance</li> <li>More Masculine workforce</li> </ul> </li> <li>Increasing Technological usages               <ul style="list-style-type: none"> <li>Internet usage very high at 97.8%</li> <li>Cybersecurity sector has added over 5,300 jobs</li> <li>U.K. ranks as the 3rd largest exporter of cybersecurity services globally</li> <li>Increase in emphasis on digital literacy in UK and Europe</li> </ul> </li> </ul>

<p><b>KEY:</b> Green: positive match between Brazil &amp; Dotcom Monitor.  <b>Yellow Highlight:</b> positive match between United Kingdom &amp; Dotcom Monitor.  <b>Red:</b> negative match between Brazil &amp; Dotcom Monitor.  <b>Purple:</b> negative match between United Kingdom &amp; Dotcom Monitor</p>		
<ul style="list-style-type: none"> <li>- Brazilian government has invested in technological research and private tech firms</li> <li>- Growing use of internet country wide</li> <li>- High demand for cybersecurity</li> <li>- The current cybersecurity market is estimated at USD \$3.03 billion and is expected to grow to \$4.95 billion by 2028</li> <li>- Trying to grow digital public infrastructure and platforms             <ul style="list-style-type: none"> <li>- Want to digitize much of the improvements in infrastructure</li> </ul> </li> </ul>	<p>Established Partners Companies</p> <ul style="list-style-type: none"> <li>- This is an already established company, with a successful distribution method and solid partnered ventures with other online workplaces</li> </ul> <p>Leaders Drive to Exapantions</p> <ul style="list-style-type: none"> <li>- Strong internal drive of company leaders to expand abroad</li> </ul>	<p>Growing demand for Cybersecurity</p> <ul style="list-style-type: none"> <li>- Cybersecurity market is estimated at USD \$14.24 billion and expected to grow to USD \$23.37 billion by 2028</li> <li>- Large expansion in digitizing public platforms</li> <li>- Government actively invests in technological research and private tech firms</li> </ul>
<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Divided and Unstable Government             <ul style="list-style-type: none"> <li>- Deregulation and pro-business platforms</li> <li>- Civil law system</li> <li>- Divided 12 party government system</li> <li>- High rates of corruption and bribery within business sector</li> <li>- Lack of IP regulation</li> </ul> </li> <li>- Different states             <ul style="list-style-type: none"> <li>- 26 states in Brazil all with separate constitutions and different business practices</li> </ul> </li> <li>- Economic Fluctuation             <ul style="list-style-type: none"> <li>- Sudden increase in inflation rates and income inequality</li> <li>- A small portion of the nation holds the most of the countries wealth</li> </ul> </li> <li>- Strong cultural forces             <ul style="list-style-type: none"> <li>- Catholicism is a dominant religion</li> <li>- Strong preservation for culture, family values, and language</li> <li>- Low Individualism and high Power distance scores</li> </ul> </li> <li>- Poor infrastructure             <ul style="list-style-type: none"> <li>- A lot of the country doesn't have access to internet</li> <li>- Difficult for tech companies to flourish</li> </ul> </li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Online workplace/Mainly remote             <ul style="list-style-type: none"> <li>- Due to the mainly online workforce, it can be difficult to set up similar operations in countries where that is not as easily accessible</li> </ul> </li> <li>- Programers on the other side of the world</li> <li>- Strong developed company culture</li> <li>- Have methods for expansion             <ul style="list-style-type: none"> <li>- The already established methods for expansion, might not transfer to different countries</li> </ul> </li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Constitutional Monarchy             <ul style="list-style-type: none"> <li>- Relatively unstable political climate with 3 prime minister in 2022</li> <li>- Left EU recently</li> <li>- Inflation rates increased largely</li> <li>- High PM turnover rate</li> </ul> </li> <li>- Data Protection Act of 2018             <ul style="list-style-type: none"> <li>- Regulates how personal data is used and processed</li> </ul> </li> <li>- Decreasing Economy             <ul style="list-style-type: none"> <li>- Due to recent leaving from the EU, foreign investment has been decreasing</li> </ul> </li> <li>- Competition             <ul style="list-style-type: none"> <li>- Significant foreign investment in UK which means there will not be any first movers advantage</li> </ul> </li> <li>- Neutral long term orientation</li> <li>- Large cybersecurity market             <ul style="list-style-type: none"> <li>- Not a lot of room for market share for DotCom monitor</li> <li>- Government already supports competitors from the already established market</li> </ul> </li> </ul>

**S.W.O.T. Analysis**

We examined the marketplaces of Brazil and the UK, and our research revealed that each market has its pros and cons to have a viable and successful full expansion process. Due to both countries having different economic standing, the main thing separating the two markets would be their market size and accessibility. The Market for Cybersecurity in the UK is estimated to be USD 14.24 billion, while Brazil is averaged at USD 3.03 billion. Brazil currently lacks a stable technology infrastructure, but the government is trying to create a bigger digital public platform and e-commerce network. The United Kingdom has an established and developed market for cybersecurity and monitoring. Due to the developed government and strong focus on investments in current technology research and private tech firms for expansion, the UK has developed legalities having to do with data position, for example, the Data Protection Act of 2018 and General Data Protection Regulation and Computer Misuse Act 1990, dictating how data is used and processed. England has strong laws for intellectual property, while Brazil lacks certain IP regulations. Brazil, a country known for its corrupted government and business bribery is less restricted on how data is accessed or used. However, due to Brazil's 26 different states and constitutions, each state has separate laws and regulations for businesses. There is a large immersion in the different states within the culture because it varies due to a diverse population of mainly either indigenous, Portuguese, and/or African. The country is

very focused on improving the business environment and has set up lucrative international trade agreements that attract foreign investors. Brazil is one of the largest exports in the world and has one of largest Latin American Economies. Unfortunately, Brazil has a very fluctuating economy that constantly has shifts in inflation rates and income inequality, since it runs on a very divided 12-party system. Similarly, the UK currently has an unstable government with their recent changes in prime minister and head of the monarchy. Additionally, due to Bre-exit, they have been experiencing an increase in inflation, a decrease in foreign investment, and more expensive tariffs. The United Kingdom is also very similar to the host country culture-wise. Their main language is the same and Hofstede's cultural differences, are very similar. It lines up well for the business because they would be able to use similar business operations and be able to implement an already strongly developed company culture. However, due to the company's vast diverse workforce, they are trained to work with cultures from all over the world. Since DotCom Monitor is already a global entity and has many clients around the world, they already have a certain entry method to gain access to clients from other countries, but due to this already established method, their thinking might be more limited and not work well with certain countries. However, the company is an established global company, with resources that only further global expansion like only remote workforce, drive from leaders, and worldwide programmers, the company is well off deciding to further expand into these markets.

## **Recommendation:**

After careful consideration, it has been determined that in terms of global expansion, the United Kingdom would serve as the best choice for Dotcom Monitor. As a company that is focused on technology and data-safety consulting, the demand for this skill exists most within the UK market making it the country that would allow DotCom Monitor to grow most significantly.

## **Business Model**

DotCom Monitor's original business model is one that will continue to work as the company globalizes. With their outsourced team of programmers, there is no emphasized need for an office in the United Kingdom as it will not impede their operations or success. The most advantageous aspect of DotCom Monitor's current business model is that it gives them the flexibility to expand without significant risk and ensuring the most capable team through a geocentric staffing policy. They prove that this is a viable approach through their previous expansion to Canada and other markets while maintaining an employee base in Poland and Belarus. Continuing on this trajectory goes hand in hand with the following global strategy we recommend with little need for adjustment and will continue to project results in the future.

## **Global Strategy**

DotCom currently employs programmers not only locally but also globally in Poland, Belarus, and India. With this in mind, we decided that the best global strategy for the company is transnational strategy.

Transnational Strategy includes:

- Simultaneously achieve low costs through location economies, economies of scale, and learning effects
- Differentiate their product offering across geographic markets to account for local differences
- Foster a multidirectional flow of skills between different subsidiaries in the firm's global network of operations.

With DotCom Monitor's employee network stretching out as far as India, Poland and Belarus, the connection to fostering a multidirectional flow of skills was quickly made. Furthermore, because the foundation of the technology DotCom Monitor offers is one that can be customized and catered to a company's specific needs, this is aligned with a strong need for local responsiveness (differentiation). With an inherent innovative foundation in the industry, it was swiftly that we identified the transnational strategy to be the best fit for the globalization strategy.

## **Strategic Positioning**

For strategic positioning, we considered Mazo's expressed interest in becoming a global player in the industry, which allowed for us to conclude a differentiation strategy in terms of value creation. When we pair this with the individualistic society of the UK, it's the political society that best fosters innovation and competition that will allow Dotcom Monitor to stand out as a company. This becomes a stronger point when we also consider the increasing demand for digital literacy and data protection in the United Kingdom.

As a company, we offer data-protection software that exceeds the current expectation not only in our current market but in foreign markets as well. Customers include but are not limited to companies who seek data encryption, those who utilize the world wide web regularly, or businesses who often work with sensitive data. Because DotCom Monitor has served as the innovative and trusted internet safety company before, this properly sets the stage for their new venture.

## **United Kingdom**

The United Kingdom offers a large market. With a dense population and high human development index, this means opportunity for a high number of clients that have access to technology. This can be further supported by data stating that internet usage stood at 97.8% for the year 2023. In terms of long term growth in the market, the cybersecurity industry currently offers over 3,500 jobs with a growing trend of big data. This is an significant opportunity for DotCom Monitor to take advantage of without necessarily having to be a first mover.

## **Entry Mode**

For DotCom Monitor, wholly-owned subsidiaries is the best mode of entry for the company. DotCom Monitor should seek to own 100% of its stock for protection of its technology (while also allowing it to realize location and scale economies). With DotCom Monitor's previous knowledge of management, this allows them to expertly navigate wholly owned subsidiaries in a new market by already inhabiting the know-how necessary for orderly operation. What we found to be most important though when ultimately deciding the global strategy DotCom Monitor should utilize was the core competence of the company— its strongest asset. For DotCom Monitor, this looks very similar to the way they've been operating now: finding clientele in the United Kingdom and reaching out to them by creating curated ads as a form of marketing.

## **Financial Analysis**

We were given a \$50,000 budget with strong emphasis on marketing. With that in mind, we allocated \$25,000 to digital marketing operations in the United Kingdom through the form of executing personalized ads, product description online on popular sites and marketing towards businesses. In regards to executing personalized ads, we would adopt a marketing segmentation approach, a personalized method that is more cost-effective as compared to mass marketing (Mehta).

## **Marketing Cost Breakdown**

We observed that Dotcom Monitor, as a company, does not have much of a social media presence. Social media marketing continues to be the most effective form of marketing in the United Kingdom, which can help company growth through word-of-mouth and also share the benefits of their service in ways that are more digestible

to the general population. By having others understand what it is they are selling and how it can help them, this can help increase sales on a consumer-to-consumer level.

Lastly, the marketing approach you would take with businesses is extremely different from what you would take with consumers. For DotCom Monitor, they want to be where businesses are going to be. This includes tailoring ads that appear in trade shows, seminars, workshops or even trade publications. This is the form of advertising we most strongly emphasize for DotCom Monitor as it can aid in acquiring larger profile clients– DotCom Monitor’s strong suit. We strongly suggest about half of the marketing budget be allocated to specifically this.

## **Other Costs**

For the remaining \$25,000, we reserved this value to cover the cost of operation, developmental technological advances, cultural intervention and the cost of labor. To globalize means to strengthen their current manpower in order to meet the needs of incoming clientele and the costs that come associated with employing these people. In addition, when employing new and different individuals, one has to consider the integration of different work cultures, personalities, and backgrounds. Bridging this gap is something that should be just as important to DotCom Monitor as every other part of globalizing in order to ensure a seamless integration.

## **Recommendation Closing**

The best time for market entry would be now. Trends are increasing in the UK currently and for how long they will continue for is undetermined. This coupled with the inestimable number of competitors and/or competing technology entering the market within this window allowed us to come to this conclusion. The best time is now, especially if DotCom Monitor can deliver innovation the way its history has previously shown.

The scale of entry we found that would be most beneficial for the Mazo company is entering the market on a large scale. For large scale entries, a company must be willing to commit significant resources, enter the market quickly and intend to have a long-term impact. Mazo made it clear that he seeks long term growth in the market he will be expanding to, and we have observed his company to be stable enough to take on the risk of a large scale entry that will later reap him significant benefits. With this, we conclude our recommendation to DotCom Monitor: It is in their best interest to expand the UK Market now using a wholly-owned subsidiaries transnational strategy on a large scale of entry.

## **Implementation**

In executing a wholly-owned subsidiary entry into the UK, DotCom Monitor should strategically align its global human resource management practices to accommodate the specific needs of the UK market. This can be done by adopting a geocentric approach, to blend Dotcom Monitor’s global expertise with local insights to create a harmonious work environment. This will allow the company a more diverse ambiance; managers will be employed without any regard for their geographical background. DotCom Monitor should then establish a Global Human Resource team that understands the nuances of both the parent company's culture and the distinctive aspects of the UK work culture, facilitating the integration process.

DotCom Monitor should implement a comprehensive orientation program for UK employees, bridging the transition between the existing company culture and the UK work environment. The company’s core values must still be in alignment with the company’s operations, so through orientation, possible cultural differences between the UK and the USA will be addressed. However, the company also looks to establish itself as one of the big dogs of cyber security in the UK, which means it must understand UK culture and its professional standards. This includes adapting practices to comply with UK employment laws, emphasizing the importance of work-life balance and employee well-being. Recognition of local holidays and traditions will contribute to a positive workplace culture. Having this in mind, Dotcom Monitor will also take advantage of the similarities between the American work

culture and the British work culture. The company can leverage shared values such as a focus on individualism, innovation, and professional autonomy. Dotcom Monitor will be able to bring employees from different backgrounds and cultures which will help the company gain more perspectives on future projects. To bridge the two cultures successfully, establishing cross-cultural teams that facilitate knowledge exchange and mutual understanding can be instrumental. Emphasizing the importance of cultural intelligence among employees can help navigate potential challenges and foster a collaborative work environment.

Finally, to address any ethical issues that might arise with the entry of Dotcom Monitor into the UK, the company will implement a strict code of ethics that aligns with local standards, emphasizing data protection and privacy. Transparency in business practices, compliance with local laws, and anti-bribery measures should be ingrained in the company's ethical framework when entering the UK. Regular ethical training programs can keep employees informed and aligned with the company's values. In addressing any ethical concerns or issues, DotCom Monitor should establish clear reporting channels and a responsive mechanism for investigating and resolving complaints. Open dialogue with employees and stakeholders will be crucial in maintaining an ethical business environment. Regular assessments and adaptability to cultural nuances will contribute to sustained growth and positive stakeholder relationships.

## **Conclusion**

This final project has given the seven of us the opportunity to truly embrace Northeastern's experiential learning. We were able to apply skills taught to us in the course such as research, data organization, adaptive thinking, professional communication, cross-cultural integration, and more. Being able to work directly with Mr Mazo allowed us to approach this project with professional goals rather than solely focusing on the academic aspect of the assignment. Our group benefited greatly from this project. We learned how to properly apply our knowledge in the world of business. We express our gratitude to Professor Ivy and Mr Mazo.

**Exhibits:**

**Exhibit 1**

**dotcom-monitor®**

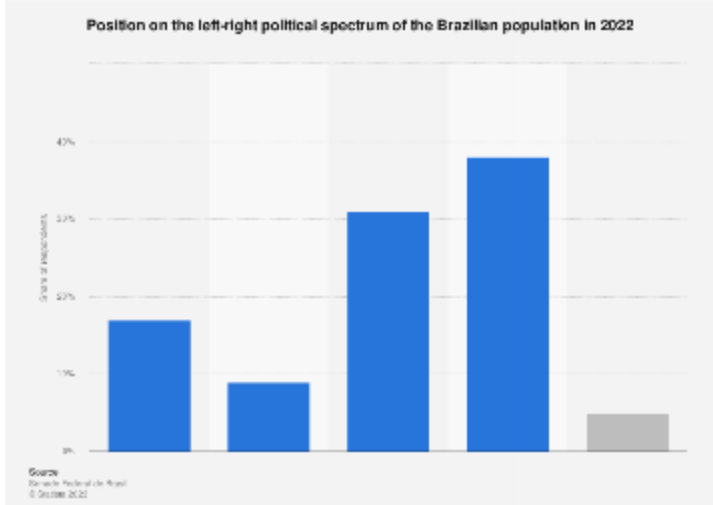
**Exhibit 2**



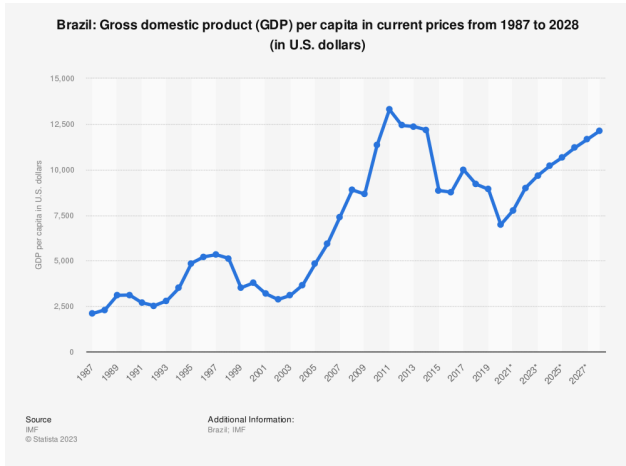
**Exhibit 3**



**Exhibit 4**



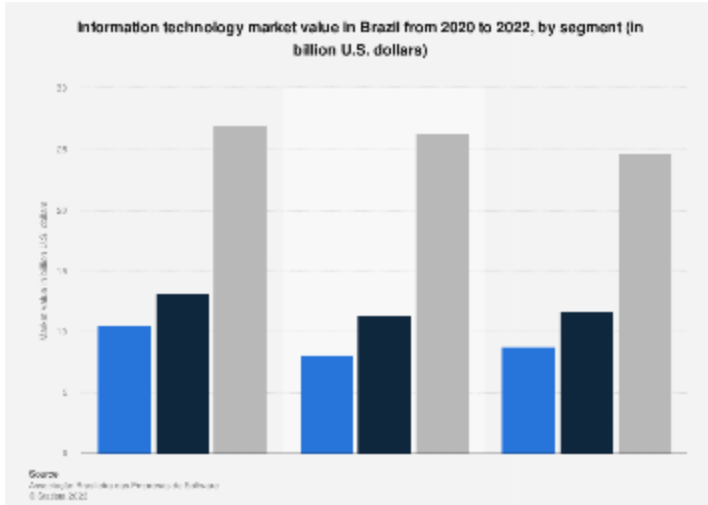
## Exhibit 5



## Exhibit 6



## Exhibit 7

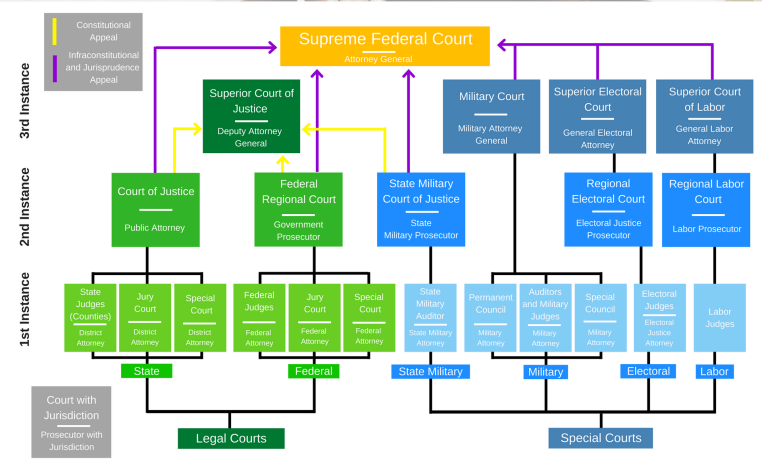


## Exhibit 8

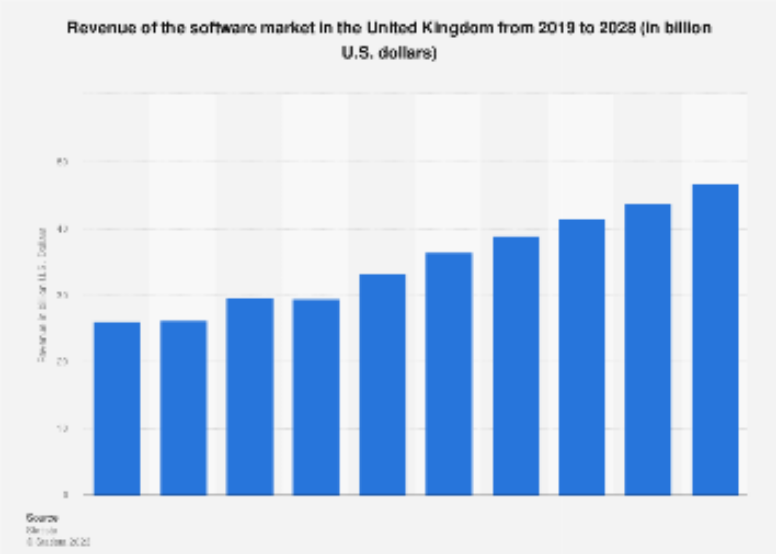


## Exhibit 9

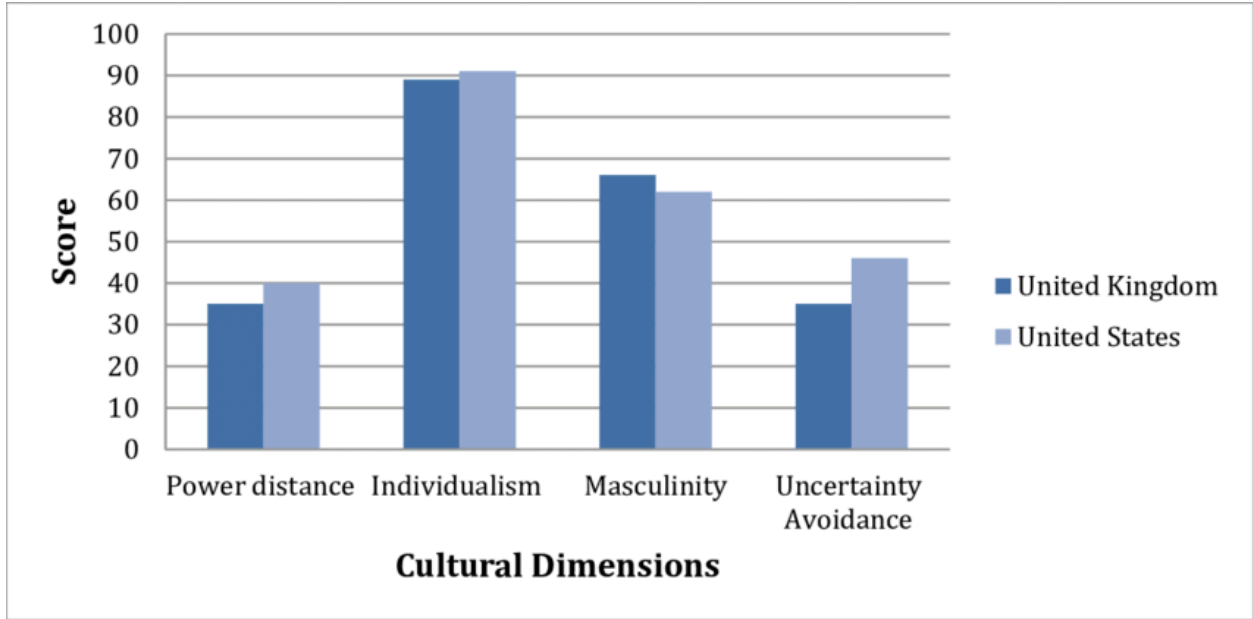
# Brazilian Judicial System



## Exhibit 10



## Exhibit 11

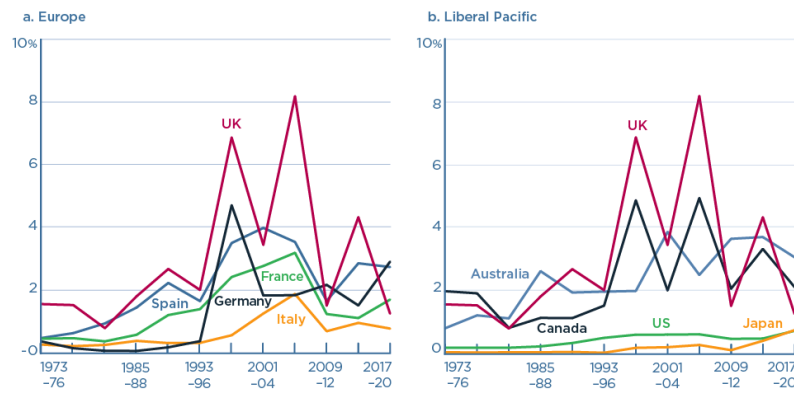


## Exhibit 12

Figure 5

### Foreign direct investment into the UK has fallen since the Brexit vote

4-year average foreign direct investment inflows as a share of GDP, 1973–2020



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Learn more at [piie.com/research/piie-charts](https://www.piie.com/research/piie-charts)

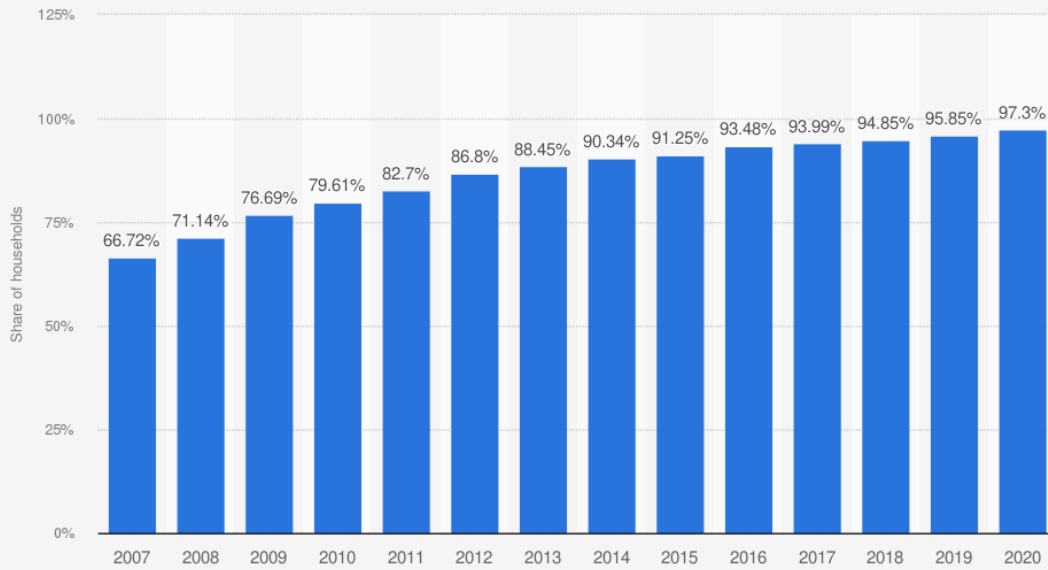


Note: Liberal Pacific group refers to large, advanced economies in the Pacific region, namely the United States, Canada, Australia, and Japan.

Sources: World Bank, World Development Indicators database.

## Exhibit 13

### Share of households with internet access in the United Kingdom (UK) from 2007 to 2020



Source  
Eurostat  
© Statista 2023

Additional Information:  
United Kingdom; Eurostat; 2007 to 2020

## Exhibit 14

**The Environmental Act** was approved by Royal Assent on November 9th 2021 having taken since its birth in 2016 in the aftermath of the Brexit vote.

The Act lays down the foundations of environmental legal requirements post the UK's exit from the European Union and updates UK legislation to deliver the Government 25-year environment plan. The Act sets out through over 200 provisions, targets plans and policies for:

 Improving the natural environment	 Statements and reports about environmental protection	 The establishment of an Office for Environmental Protection
 Enhanced waste and environmental efficiency	 Air Quality	 The recall of products that fail to meet environmental standards
 Water (and the protection of water resources)	 Nature and biodiversity, and conservation covenants	 Regulation of chemicals

## Exhibit 15



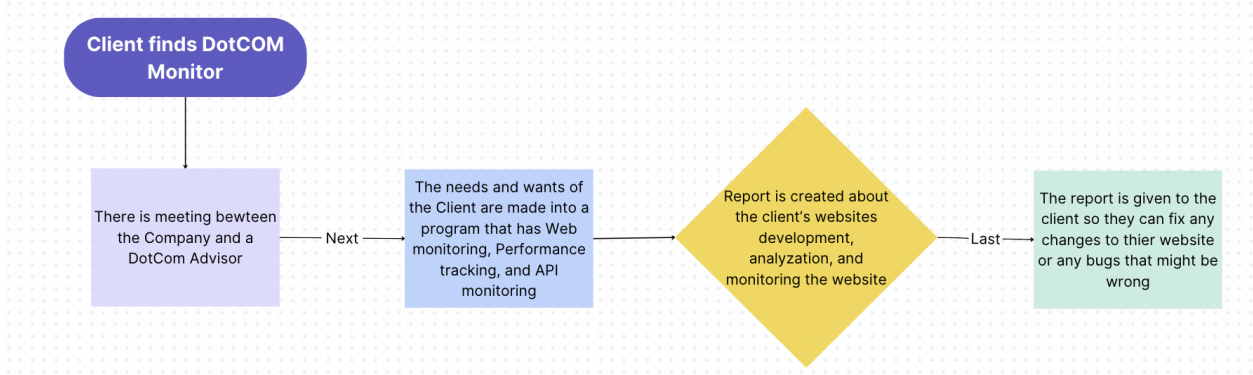
## Exhibit 16



### UK Bribery Act 2010

- General offences – Companies or Individuals (sections 1 & 2)
  - “Offering, promising or giving a bribe in the UK or abroad, in the public or private sector”
  - “Requesting, agreeing to receive or accepting of a bribe in the UK or abroad, in the public or private sector.”

# Exhibit 17



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