

# **The School of Higher Commercial Studies of Algiers**



**Thesis submitted in partial fulfillment of the requirements for  
Master's Degree in Commercial Sciences**

**Major: International Trade**

**SUBJECT:**

**The Influence of Strategic Export Management  
on the Competitiveness and Performance of  
Multinational Companies  
Case Study: Lafarge Holcim Algeria**

**Submitted by:**

**Miss. Amina BENALI**

**Supervised by:**

**Pr. Farah RAHAL**

**Professor at EHEC Algiers**

**12<sup>th</sup> Promotion**

**June 2025**



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## Dedications

*This work is dedicated to my greatest supporter, my hero, the man who believed in me even when I doubted myself and stood by me through each step of my journey, to my father.*

*To the woman who patiently listened to my endless thoughts about school and my academic pressures, even when I overwhelmed her with hours of talk, to my mother.*

*To my sister Nour, who has been a beacon of light during my darkest times.*

*To my brother Hichem, who has been proud of every small achievement and always seen the best in me.*

*To my little brother, Mohamed who reminds me to smile when everything feels heavy.*

*To my soul sister Yasmine, the one who understands me like no one else, who stands by my side and being a true companion in this life.*

**To my family.**

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I also extend my thanks to my school EHEC, which has not only shaped my academic path but also nourished my personal growth. Over these years, EHEC has provided me with the environment, the chances, and the friends to grow into a completely different version of me.

# Abstract

This research explores the influence of strategic export management on the performance and competitiveness of multinational companies (MNCs). The primary objective is to comprehend how the internal structure of export operations can act as a cornerstone driver to reinforce and optimize both operational effectiveness and long term competitive positioning in volatile foreign markets.

Additionally, the study applies an analytical and descriptive methodology to examine this relationship in practice, taking the multinational company Lafarge Holcim Algeria as a case study. Qualitative data were collected through semi-structured interviews with key managers actively involved in export operations. The appraisal demonstrates that effective export management characterized by coherent planning, market diversification, strategic resource allocation, continuous investment, and enhancement of the logistics chain has a direct and positive impact on both performance and competitiveness.

In essence, the finding underline the role of strategic export management as crucial lever of sustainable growth and competitive advantage for multinational firms operating in complex and volatile international markets

**Keywords:** Strategy, export, management, performance, competitiveness.

## Résumé

Cette recherche explore l'influence de la gestion stratégique des exportations sur la performance et la compétitivité des entreprises multinationales. L'objectif principal est de comprendre comment la structure interne des opérations d'exportation peut constituer un levier fondamental permettant de renforcer et d'optimiser à la fois l'efficacité opérationnelle et le positionnement concurrentiel à long terme dans les marchés étrangers volatils.

De plus, l'étude adopte une méthodologie analytique et descriptive afin d'examiner cette relation dans la pratique, en prenant comme étude de cas l'entreprise multinationale Lafarge Holcim Alegria. Des données qualitatives ont été recueillies à travers des entretiens semi-directifs menés avec des directeurs clés impliqués activement dans les opérations d'exportation. L'évaluation met en évidence que la gestion efficace des exportations caractérisée par une planification cohérente, une diversification des marchés, une allocation stratégique des ressources, un investissement continu et une amélioration de la chaîne logistique a un impact direct et positif sur la performance et la compétitivité.

Finalement, les résultats soulignent le rôle de la gestion stratégique des exportations comme un levier crucial de croissance durable et d'avantage concurrentiel pour les entreprises multinationales opérant dans des marchés internationaux complexes et instables.

**Mots-clés** : Stratégie, Management, Export, performance, Compétitivité

## ملخص

تتناول هذه الدراسة تأثير الإدارة الاستراتيجية للتصدير على أداء وتنافسية الشركات متعددة الجنسيات. ويتمثل الهدف الرئيسي لهذه الدراسة في فهم كيف يمكن للهيكل الداخلي لعمليات التصدير أن يشكل محورا أساسيا لتعزيز وتحسين الكفاءة التشغيلية والتموضع التنافسي طويل الأمد في الأسواق الخارجية المتقلبة. بالإضافة لذلك، تعتمد الدراسة على منهجية تحليلية وصفية لدراسة هذه العلاقة على أرض الواقع، من خلال دراسة حالة لشركة لافارج هولسيم الجزائر. حيث تم جمع البيانات من خلال مقابلات شبه مهيكلة مع مدراء الشركة المشاركين بصفة دائمة في عمليات التصدير، وتظهر النتائج أن الإدارة الفعالة للتصدير، والتي تتميز بالتخطيط المنسق وتنوع الأسواق والتخصص الاستراتيجي للموارد والاستثمار المستمر وتعزيز سلسلة النقل، لها تأثير مباشر وإيجابي على كل من الأداء والتنافسية.

وفي الأخير، يمكن القول أن النتائج تؤكد على أن الإدارة الاستراتيجية للتصدير تعد رافعة حاسمة للنمو المستدام والمزايا التنافسية للشركات متعددة الجنسيات التي تعمل في بيئات دولية معقدة وغير مستقرة.

**الكلمات المفتاحية: الاستراتيجية، الإدارة، التصدير، الأداء، التنافسية.**

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# Summary

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# General introduction

As globalization continues to play a fundamental role in shaping business paradigms, multinational companies are increasingly confronted with multiple challenges and obstacles that compel them to reconsider how they engage within the complexity of international markets. In addition, cross-border trade is no longer viewed as a simple extension of domestic activities, but rather as a core driver for fostering innovation, boosting growth, and sustaining competitiveness. Consequently, the pathway to sustainable global expansion no longer merely relies on market access or product availability, but deeply on a company's capacity to define, coordinate, and execute resilient export operations.

In light of these realities, where export success is not incidental but the outcome of a well-orchestrated strategic process, this study aims to explore in depth the influence of strategic export management on the competitiveness and performance of multinational companies (MNCs), with specific attention to how well-structured export strategy contribute to long term progress, value creation, and functional resilience in a volatile and interrelated global economy. By examining the mechanisms through which export planning and execution impact the outcomes of a firm, this research seeks to deliver valuable insights into the strategic imperatives that strengthen successful globalization efforts.

The selection of this theme is closely linked to Algeria's current economic orientation, which fosters the diversification of exports and the reduction of dependence on hydrocarbon revenues. In this context, the development of non-hydrocarbon exports has emerged as a national imperative. However, Algeria continues to confront structural limitations in its export performance. These national challenges underline the relevance and timeliness of studying and conducting this case. In addition, this theme focuses on understanding how MNCs such as Lafarge Holcim Algeria can operate as models of tactical alignment, emphasizing how international expertise and local workforce integration can reinforce export operations. Building on this context, our main research question is:

***To what extent does strategic export management influence the competitiveness and performance of multinational companies?***

To explore this overarching problematic, the subsequent sub-questions will guide the research:

1. What are the key components of strategic export management, and how are they conducted within multinational companies?
2. How can competitiveness be measured, and what is its relationship with overall performance?
3. How does strategic export planning contribute to aligning operational capacities with evolving market demands?
4. What specific improvements can Lafarge Holcim implement to further optimize its export strategy to boost both competitiveness and performance?

To address the core inquiries of this dissertation, the following hypotheses are formulated and will be empirically tested:

1. **H1:** MNCs with a proactive strategic export management approach illustrate higher performance and sustained competitive edge in volatile foreign markets.
2. **H2:** The adoption of advanced technologies and digital platforms enhances both the competitiveness and overall performance of multinational companies.
3. **H3:** MNCs that rely on standardized strategies achieve higher competitiveness and Performance across foreign markets.

The methodology adopted for this study integrates analytical and descriptive research methods through an examination of various perspectives from different scholars, combining pertinent literature and reliable sources such as academic articles and books to support and refine our research. In addition, to further reinforce the practical relevance of the study, we deploy a qualitative case-study methodology, focusing on Lafarge Holcim Algeria as a representative multinational company in the cement industry. Data collection will be conducted throughout semi-structured interviews with the principal managers of the firm. The interview transcripts will be appraised to determine patterns associated with strategic export management and its influence on competitiveness and performance.

Finally, to effectively conduct this research, we developed a structured work plan consisting of three chapters:

## **Chapter 01: Strategic Export Management**

This chapter focuses on providing a comprehensive overview of the framework of strategic export management, its components, and why it's crucial for multinational companies.

## **Chapter 02: Foundations and Interrelations of Competitiveness and Performance**

In this chapter, we delve into the key concepts of performance and competitiveness, offering a detailed review of relevant theories and models. Additionally, analyzing how these two concepts are interrelated.

## **Chapter 03: The Influence of Strategic Export Management on the competitiveness and performance within Lafarge Holcim Algeria**

This final chapter presents the empirical research based on the case study of Lafarge Holcim Algeria, where we will analyze the collected data to understand how strategic export management influences competitiveness and performance.

**Chapter 01:**  
**Strategic Export Management**

## Introduction to the chapter:

In today's global economy, exporting is a vital strategy for companies seeking growth and competitiveness, therefore international markets require a structured, strategic approach to export operations, moving beyond simple transactions.

In this chapter we will explore strategic export management, a discipline crucial for companies seeking to optimize their performance in foreign markets and it is structured into three sections:

- Section 01 aims to introduce the concept of strategic export management.
- Section 02 delves into the key components of strategic export management.
- Section 03 explores the importance of strategic export management for multinational companies MNCs.

## Section 01: Introduction to Strategic Export Management

Strategic export management is a crucial aspect of international business, integrating various managerial, operational, and strategic elements to enhance a firm's global performance and competitiveness.

To fully grasp the complexity and significance of this concept, it is essential to start by exploring its core elements: Strategy, Export, and Management as individual but interconnected notions which provides the necessary cornerstone for understanding how they intersect into a cohesive framework of strategic export management, guiding companies in navigating the challenges and opportunities of foreign markets.

### 1 Conceptual definitions of Strategy, Export, and Management:

#### 1.1 Definition of Strategy :

Strategy has been widely studied and interpreted through numerous lenses:

According to STRATEGOR : *'Strategy consists in selecting the company's lines of business, organizing these lines of business, and allocating resources to achieve a level of performance*

## Chapter 01: Strategic Export Management

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*that is consistently superior to that of competitors in each of these lines of business; the overall objective being to maximize the company's economic profit over the long term'.<sup>1</sup>*

In the view of DESREUMAUX: '*Strategy is the set of specified actions aimed at achieving the goals and objectives, framed within the company's missions and general policy*'.<sup>2</sup>

For PATRICK: '*Strategy is the process of understanding the industry (its ecology) and the firm's position in that industry (its genetic makeup). It involves understanding whether the firm can either improve the structure of its industry (either a revolutionary or evolutionary path)*'.<sup>3</sup>

Finally, MICHAEL PORTER in *Strategic Choice and Competition*, emphasizes that strategy is the art of building a sustainably defensible competitive advantage<sup>4</sup>. Which means that, according to him, strategy should enable a company to build, maintain, and develop a competitive advantage that allows it to face competition.

### 1.2 Definition of Export :

It's widely acknowledged that exports constitute a fundamental element of international trade, playing a significant role in fostering economic growth, job creation, and market expansion.

According to GREENWALD, Exports refer to the transfer of products or services from one country or another as part of international trade. The country from which the goods originate is termed the exporter, while the country that receives them is known as the importer<sup>5</sup>.

Similarly, CAVUSGIL, KNIGHT, RIESENBERGER in *International Business: New realities*. Export refers to the strategy of producing products or services in one country (often the producer's home country) and selling and distributing them to consumers located in other countries.<sup>6</sup>

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<sup>1</sup> ALBINO-PIMENTEL(J), DURAND(R), DUSSAUGE(P), LEHMANN-ORTEGA(L) : *Strategor*, Edition Dunod, Livres en Or, 2024, P.1.

<sup>2</sup> DESREUMAUX(A) : *Introduction to management*, Armand Colin, 1992, P.52.

<sup>3</sup> PATRICK (J). STROH: *Business Strategy: plan, execute, win*, 1st edition, Wiley, 2014, P.12.

<sup>4</sup> PORTER(M): *Strategic choice and competition*, Economica, 1892, P.73.

<sup>5</sup> GREENWALD (D): *Economic Encyclopedias*, Economica,1984, P.861.

<sup>6</sup> CAVUSGIL(S), KNIGHT(G), RIESENBERGER(J): *International business: new realities*, 5th edition, Pearson, 2019, P.396.

## Chapter 01: Strategic Export Management

From an accounting perspective, Exports encompass all goods new or existing, sold or unsold that exit the economic territory, along with services provided by residents to non-residents, excluding those consumed within the territory by non- resident households<sup>1</sup>.

### 1.3 Definition of Management:

According to KOONTZ and WEIHRICH, Management is *'the process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims'*.<sup>2</sup>

Similarly, in *Fundamentals of management; essential concepts and applications*: Management is described as *'the process of getting things done, effectively and efficiently, with and through other people'*.<sup>3</sup>

To gain a deeper understanding of the concept of management, the following figure outlines the four functions of management, which serve as a fundamental framework for analyzing and defining management:

**Figure N°1.1 : Four management functions**



<sup>1</sup> GACI (M): *The role of customs digitalization in improving the export process in Algeria*, Master thesis on E-Business, Higher School of Management and Digital Economy, 2023, P.36.

<sup>2</sup> KOONTZ(H), WEIHRICH(H): *Essentials of management: an international and leadership perspective*, 9th edition, Tata McGraw Hill Education Private Limited, 2012, P.3.

<sup>3</sup> ROBBINS(S), DECENZO(D), COULTER(M): *Fundamentals of management; essential concepts and applications*, 8th edition, Pearson, 2013, P.6.

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**Source:** ROBBINS(S), DECENZO(D), COULTER(M): *Fundamentals of management; essential concepts and applications*, 8th edition, Pearson, 2013, P.8.

Finally, management is a way of directing and rationally managing an organization (business, public institution, association, etc.), organizing, setting goals and objectives, and developing strategies. It achieves this by optimally utilizing people, material resources, machinery, and technology, to increase the profitability and efficiency of the organization.<sup>1</sup>

## 2 Strategic and managerial dimensions of export:

After defining the key concepts of strategy, export, and management, it becomes crucial to consider how these elements interact within the broader framework of international business:

### 2.1 Strategic approach to exporting :

Strategic orientation is a critical factor in shaping how firms compete and make decisions in international contexts. This includes both broad strategic mindset and specific behavioral dimensions, which significantly shape how companies enter and operate in foreign markets. Research by Avci, Madanoglu, and Okumus in 2011 emphasizes how a company's orientation directly impacts the link between strategy and performance outcomes. The underlying premise is that a company's core strategic beliefs guide its actions, helping it control challenges and seize opportunities in the international markets<sup>2</sup>.

The framework of Morgan and Strong in 2003 outlines six key dimensions that are fundamental for companies to consider when developing their strategic approach to export activities. Each dimension represents a clear behavioral characteristic that impacts how a firm interacts with foreign markets and ultimately attain success. These dimensions are<sup>3</sup>:

- Aggressiveness: refers to a company's willingness to take valiant actions to capture market share in international markets. It involves an assertive approach where firms invest severely in competing directly with rivals, aiming for rapid market penetration.
- Analysis: is the dimension that reflects a company's capability to systematically process information and engage in strategic planning. Firms that gather data about

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<sup>1</sup> CRENER(M): *Management*, Presses of the university of Quebec, 1979, P.5.

<sup>2</sup> AVCI (U), MADANOGLU (M), and OKUMUS (F): « *Strategic orientation and performance of tourism firms: Evidence from a developing country* », *Tourism Management*, Vol 32, N°1, February, 2011, PP.147-157.

<sup>3</sup> MORGAN (R. E), and STRONG (C. A): « *Business Performance and dimensions of strategic orientation*», *Journal of Business Research*, Vol 56, N°3, March, 2003, PP.163-176.

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internal operations and external market conditions, allowing them to make informed and effective export decisions.

- Defensiveness: represents a strategic focus on minimizing risks, reducing costs, and ensuring operational efficiency. While defensive strategies protect a firm's market position, they may limit potential for growth, especially in dynamic, competitive international markets.
- Futurity: highlights long-term objectives and the capability to forecast future trends. Companies with future-oriented strategies concentrate on building sustainable partnerships and positioning themselves for future success, helping them to adapt to the advancing demands of foreign markets
- Reactiveness: comprises anticipating market changes and acting before rivals. Proactive companies innovate, pursue new opportunities, and establish a presence in emerging markets, often capturing a significant market share ahead of competitors.
- Riskiness: reflects a company's willingness to undertake uncertain ventures. Risk-taking is crucial for exploring new markets, but it must be balanced with strategic planning and market insight to secure profitable outcomes without jeopardizing performance.

Each of these six dimensions plays a pivotal role in determining a company's approach to exporting and can have a significant influence on its success in international markets. However, their successful implementation depends on the company's capability to align these orientations with its organizational resources, competitive context, and the specific conditions of each market. In essence, strategic orientation serves as a roadmap that helps companies navigate uncertainty, drive performance in the global marketplace<sup>1</sup>.

### 2.2 The role of management on export operations:

The role of management is pivotal to initiating, sustaining, and enhancing export management. Several studies have consistently identified managerial characteristics as crucial elements of export performance. These characteristics impact not only the direction of export activities but also the execution and adaptability of companies in competitive international environments. As Katsikea and Skarmas assert in their study in 2003 that the success or

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<sup>1</sup> JALALI (S.H): «*The explanation of relationship between strategic orientation and export performance*», The Journal of Commerce, Vol. 4, N°1, 2012, PP.40-46.

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failure of export units is often a direct reflection of managerial efficiency, leading management to be a decisive component in shaping export outcomes<sup>1</sup>.

Among the most cited determinants of export performance are management commitment and support. These factors are critical for companies operating in progressively competitive foreign markets, where managerial commitment leads to the allocation of sufficient financial, human, and tactical resources toward export operations<sup>2</sup>. Managers with strong export commitment are more likely to engage in exhaustive planning, sustain long-term efforts, and persist dedicated even during market turbulence. In addition, the level of management support has a direct influence on the performance of export strategies.

International orientation is also considered as a critical role of successful export management. It comprises a manager's global vision, awareness of international opportunities, and preemptive stand toward navigating foreign market complexities. According to the research of Nazar and Salem in 2009, international orientation plays a key role in determining the probability of export engagement and outcomes<sup>3</sup>. Therefore, entrepreneurial and international orientations are essential managerial features that drive companies toward proactive and sustainable export operations.

In essence, the role of management in export operations is both tactical and operational, influencing the overall direction and effectiveness of a company's international engagement. Managerial commitment, support, and international orientation appear as crucial drivers of export performance. These components not only determine a firm's willingness and capability to compete internationally but also shape its resilience and strategic decision-making in foreign markets.

### 3 Understanding Strategic Export Management:

After defining the fundamental elements of the concept of strategic export management, we can summarize them in:

- ✓ Strategy provides the long-term direction and competitive approach that firms adopt.

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<sup>1</sup>KATSIKEA (E), and SKARMEAS (D): «*Organizational and managerial drivers of effective export sales*», organization, European Journal of Marketing, Vol 37, N°11 and 12, 2003, PP.1723-1745.

<sup>2</sup> SOUSA (C), MARTINEZ-LOPEZ (F), and COELHO (F): «*The determinants of export performance: A review of the research in the literature between 1998 and 2005*», International Journal of Management Review, Vol 10, N°4, 2008, PP.343-374.

<sup>3</sup> NAZAR (S.M), and SALEEM (H.M.N): «*Firm-level determinates of export performance*», International Business and Economic Research Journal, Vol 8, N°2, February, 2009, PP.105-112.

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- ✓ Export refers to the internationalization process of selling goods or services across borders.
- ✓ Management ensures the coordination of resources and decision-making to achieve business objectives.

Based on this analysis, Strategic Export Management could be defined as:

A structured and systematic approach that integrates strategic planning, operational execution, and managerial oversight to optimize company's performance, enhance market positioning, and ensure sustainable international expansion in an increasingly globalized economy.

### Section 02: Key Components of Strategic Export Management

Strategic export management serves as the essence of a company's global competitiveness, encompassing deliberate decisions that bridge domestic capabilities with international market opportunities. Firms engaging in export operations must strategically evaluate numerous components, including:

#### 1 Entry strategies:

Determining the optimal mode of entry into a foreign market represents one of the most pivotal strategic decisions in international business. At one end of the spectrum, a company may opt to conduct all manufacturing activities domestically and export finished products to the target foreign markets, on the opposite end a firm may establish by itself the complete manufacturing and marketing operations directly within the foreign markets and between these two extremes lies a spectrum of intermediates entry modes which each with its benefits and risks. The selection of the most appropriate mode depends on a combination of factors.

#### 1.1 Mode of entry:

##### 1.1.1 Exporting:

Companies engaging in exporting can choose among three broad approaches:

##### 1.1.1.1 Indirect exporting:

involves selling products in foreign markets through independent intermediaries based in the home country. This method is particularly appealing to firms with limited international

## Chapter 01: Strategic Export Management

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experience, as it provides access to foreign markets without requiring direct involvement in overseas operations.

### 1.1.1.2 Cooperative Exporting:

represents a strategic intermediary approach between indirect and direct exporting, enabling companies to capitalize on the distribution networks of partner firms while retaining a degree of control over their international market presence. A prominent form of cooperative exporting is piggyback, which means *‘an established international distribution network of one manufacturer might be used to carry the products of a second manufacturer. The second manufacturer is able to ride on the back of the existing reputation, contacts, and administration of the carrier with little direct investment themselves.’*<sup>1</sup>

### 1.1.1.3 Direct exporting:

It involves a firm establishing its own export department and selling products or services through foreign intermediaries, offering greater control and profit potential compared to indirect or cooperative methods. However, it requires full responsibility for tasks like market selection, foreign representative management, logistics, and regulatory compliance. While advantageous for direct customer engagement and market autonomy, it demands significant financial, human, and managerial resources. Firms must weigh these costs against their export potential and long-term global ambitions, making direct exporting a strategic choice for companies with the capacity to manage international operations independently.

## 1.1.2 Licensing:

Licensing represents an alternative strategy for companies seeking to expand into foreign markets while minimizing financial risk and resources commitment. In licensing agreement ‘a firm in one country (the licensor) permits a firm in another country (the licensee) to use its intellectual property (such as patents, trademarks, copyright, technology, technical know-how, marketing skill or some other specific skill). The monetary benefit to the licensor is the royalty or fees which the licensee pays. In many countries, such fees or royalties are regulated by the government; it does not exceed five per cent of the sales in many developing countries.’<sup>2</sup>

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<sup>1</sup> DOOLE(I), LOWE(R), KENYON(A): *International marketing strategy: Analysis Development and Implementation*, 8th edition, Cengage, 2019, P.234.

<sup>2</sup> CHERUNILAM(F): *International trade and export management*, Himalaya Publishing House, 2010, P.325.

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It exists two primary categories of licensing agreements:

➤ trademark and copyright licensing:

Trademark licensing allows a company to use another's property names, characters, logos for merchandising purposes, generating significant revenue for brand owners. Copyright licensing grants exclusive right to reproduce, distribute, publicly display origin work like art or music.

➤ Know-how licensing:

Know-how licensing involves the transfer of technological and managerial knowledge about how to design, manufacture, or deliver a product or a service to a licensee in exchange for a royalty.

Therefore, licensing offers low-risk markets with minimal investment, assuring access to international markets without direct involvement. However, this strategy presents certain challenges, including reduced control over operations, dependence on the licensee's performance, and potential limitations on profitability. Additionally, maintaining quality standards and safeguarding intellectual property rights remain critical considerations for licensors in licensing agreements.

### 1.1.3 Franchising:

Franchising is '*an advanced form of licensing in which the focal firm, the franchisor, allows an entrepreneur, the franchisee, the right to use an entire business system in exchange for compensation.*'<sup>1</sup> The franchisor grants the franchisee the right to operate under its business name, trademarks, business model, and proprietary know-how for a specific period. In return the franchisee provides the franchisor with royalty payments and other fees.

The success of franchising as an entry mode into a foreign market is related to the integration of local knowledge. Franchisees provide valuable insights into service delivery, local preferences, competitive dynamics, and supplier networks, facilitating necessary adaptation to the franchisor's operational model. Nevertheless, the franchisor-franchisee relationship is not without potential challenges. Franchisees often encounter limitations on their entrepreneurial autonomy due to the standardized operational procedures established by the

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<sup>1</sup> CAVUSGIL(S), KNIGHT(G), RIESENBERGER(J): *International business: new realities*, 5th edition, Pearson, 2019, P.467.

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franchisor which restrict innovation and independent decision-making, undoubtedly leading to tensions within the partnership.

### 1.1.4 Joint venture:

Joint venture is ‘*an enterprise formed for a specific business purpose by two or more investors sharing ownership and control*’<sup>1</sup>. For companies seeking to expand their global footprint, particularly in emerging markets, joint ventures present a strategic and viable entry mode. And it’s simply a partnership at the corporate level which could be categorized as either domestic or international. International joint venture (IJV) involves an agreement between a multinational corporation (MNCs) and one or more partners, typically local companies, government entities, or other foreign firms. This collaboration enables companies to combine their expertise, financial resources, and market knowledge while mitigating risks associated with entering unfamiliar environments.

### 1.1.5 Wholly owned subsidiaries:

Firms seeking full control over their foreign operations often opt for wholly owned subsidiaries (WOSs) as an entry strategy. This approach involves 100% ownership of the business in the target market, allowing the firm to eliminate reliance on local partners and minimize risks such as intellectual property loss or conflicts over decision-making. By maintaining complete ownership, the firm retains full authority over strategic, operational, and managerial decisions, ensuring alignment with its global objectives<sup>2</sup>.

The choice of entry strategy depends on the level of control a company wants to maintain, the resources it is willing to commit, and the risks it is prepared to take. As shown in the diagram, low-control strategies like exporting and global sourcing offer maximum flexibility and minimal risk but limit control over operations. In contrast, high-control strategies, such as wholly owned subsidiaries, provide maximum control but require substantial resource commitment and come with higher risks. Companies must carefully balance these factors to select the most suitable approach for their international expansion.

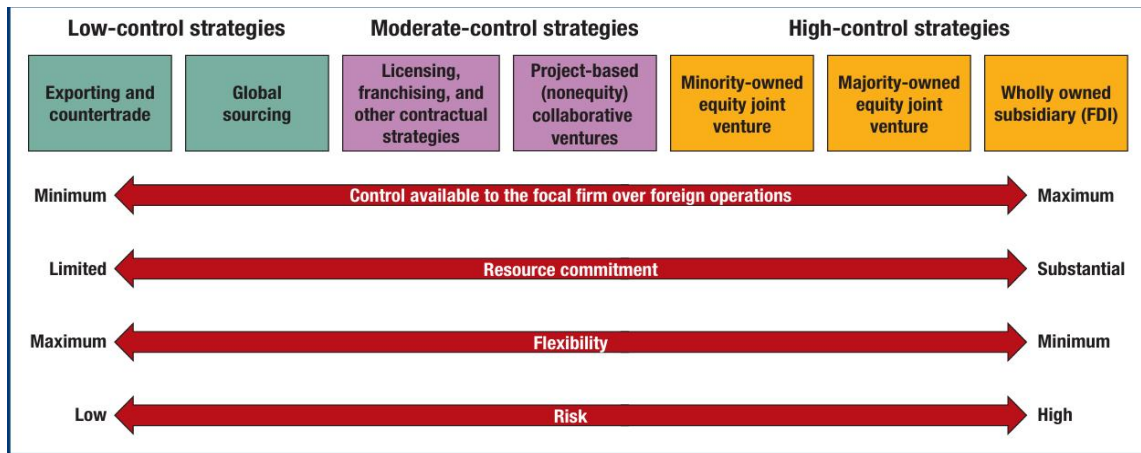
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<sup>1</sup> Onkvisit(S), J. Shaw(J): *International marketing: Analysis and Strategy*, 4th edition, Routledge, 2004, P.252.

<sup>2</sup> DOOLE(I), LOWE(R), KENYON(A): *International marketing strategy: Analysis, Development and Implementation*, 8th edition, Cengage, 2019, P.246.

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**Figure N°1.2: A categorization of foreign market entry strategies by control, resource commitment, flexibility, and risk.**



**Source:** CAVUSGIL(S), KNIGHT(G), RIESENBERGER(J): *International business: new realities*, 5th edition, Pearson, 2019, P.355.

### 1.2 Determinants of entry mode:

The choice of entry mode represents one of the most critical strategic decisions for companies entering foreign markets. It differs not only in terms of resource commitment but also in their control, risk, and return profiles. As a result, once selected, the entry mode is difficult and costly to change, making the initial decision especially consequential for a firm's long-term success.

According to Dunning's eclectic paradigm, entry mode choice is influenced by three primary factors: ownership advantages, location advantages, and internalization advantages. Ownership advantages refer to the company's proprietary assets such as technology, brand reputation, or know-how. Location advantages concern the market potential and investment risks in the host country. Internalization advantages relate to the benefits of managing activities within the company rather than through market transactions. According to Dunning's research, firms with strong ownership advantages are more likely to engage in high-control modes like wholly owned subsidiaries. On the contrary, companies with weaker ownership advantages often prefer low-risk modes such as exporting. Nevertheless, even firms with limited ownership advantages have been observed to enter foreign markets with joint ventures or licensing, especially in high-potential markets where location advantages

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compensate for internal resource gaps. This emphasizes the crucial need for companies to adopt a strategic perspective when selecting entry modes<sup>1</sup>.

Companies that neglect the interdependency between internal resources and external market conditions risk choosing substandard entry strategies that can sabotage their competitiveness, therefore, companies can optimize their adaptability, mitigate risks, and secure a strong position in the international market by strategically aligning their entry mode decision with firm specifics and market-specific elements.

### 2 International product strategies:

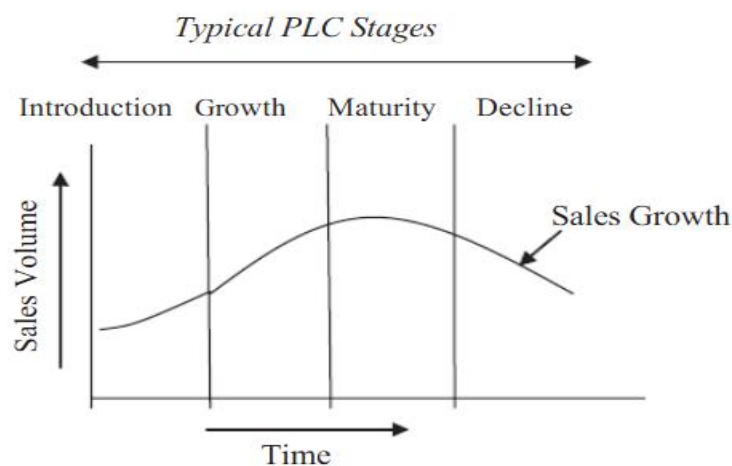
Exporting a product internationally demands a strategic approach to ensure market access and long-term competitiveness. For this purpose, companies should consider several key aspects:

#### 2.1 Product life cycle:

Before embarking on an export operation, a company must possess a profound understanding of the product life cycle (PLC) which is a fundamental concept in marketing, describing the stages a product undergoes from its initial launch to its eventual market exit.

These stages defined as introduction, growth, maturity, and decline, are illustrated in the following figure:

**Figure N°1.3 : Product life cycle stages**



**Source:** MADHANI, (P): «*Managing sales force compensation: A life cycle perspective*», Compensation and benefits review, N° 36, October, 2013, PP.316-326.

<sup>1</sup> AGARWAL (S), and RAMASWAMI (S. N): «*Choice of Foreign Market Entry Mode: Impact of Ownership, Location and Internalization Factors*», Journal of International Business Studies, Vol. 23, N°1, February, 1992, PP.1-27.

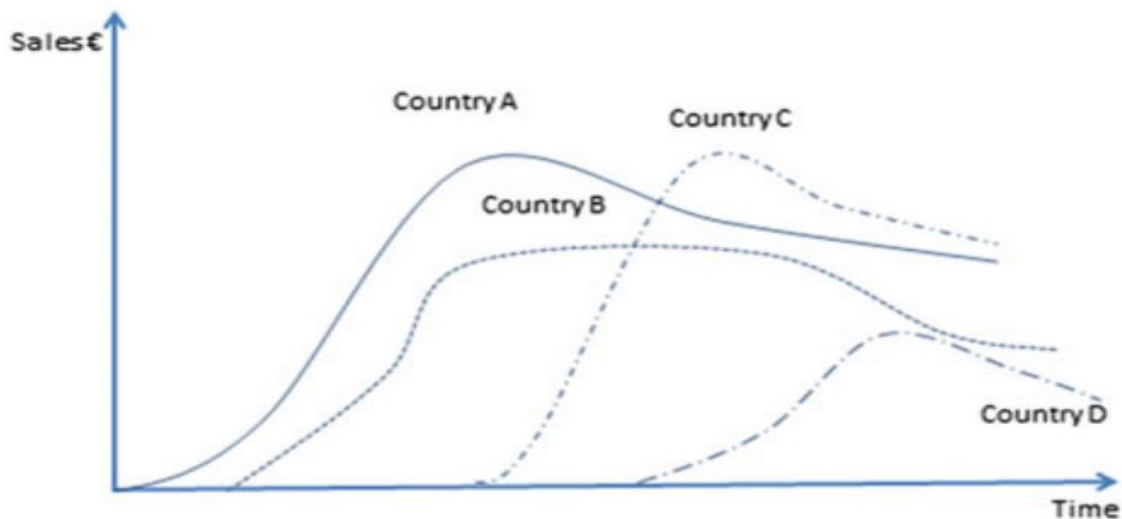
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During the introduction phase, sales progress progressively, often resulting in initial financial losses. The growth stage is marked by a considerable rise in sales, often supported by product diversification to sustain demand. As the product reaches maturity, sales balance, while competitive intensity and price pressures rise. In the decline phase, structural changes in client demand appear, leading to product obsolescence as newer technologies or alternatives gain preference, therefore decreasing both sales and profitability.<sup>1</sup>

However, the standard PLC model does not progress uniformly across all markets. A product's stages can vary significantly between countries, presenting opportunities for companies. For instance, a product in its decline phase in the domestic market may still be in its maturity phase in another market or even in its growth or introduction phase in other countries. Therefore, by strategically exporting a product that is in its decline phase domestically, a firm can extend the product life cycle and capitalize on markets where it is still in its growth or maturity phase. This approach allows companies to leverage existing production capacities, recover development costs, and generate additional revenue streams.

the following graph demonstrates how a product's life cycle can vary across different countries:

**Figure N°1.4: Cross-country variations in product life cycle dynamics**



**Source:** B. SCHLEGELMILCH (B): *Global marketing strategy: An Executive Digest* 1<sup>st</sup> edition, Springer, Switzerland, 2016, P.100.

<sup>1</sup> B. SCHLEGELMILCH (B): *Global marketing strategy: An Executive Digest*, 1<sup>st</sup> edition, Springer, Switzerland, 2016, P.99.

### 2.2 Product adaptation vs standardization :

A central debate in international product strategy encompasses the extent to which companies should standardize their products or services across markets or adapt them to local preferences. This discussion reflects two opposing schools of thought where ‘*Some opinions consider that “the enterprises should learn to operate such as the world would be one single market, disregarding superficial local and national differences. Other opinions say ‘enterprises that use methodical analysis on a large scale, have reached to the conclusion that management and marketing programs cannot be, in many times, standardized’*’. This contradictory perspective underline the strategic tension between efficiency and responsiveness in global product management.

To better understand this strategic paradox, it is crucial to clarify the two opposing approaches:

#### 2.2.1 Standardization:

Product standardization refers to offering a product or service across multiple international markets with minimal or no modifications. As defined in *International Marketing: Analysis and Strategy*, ‘*Product standardization means that a product designed originally for a local market is exported to other countries with virtually no change, except perhaps for the translation of words and other cosmetic changes*’<sup>2</sup>. Proponents argue that this approach allows companies to capitalize on economies of scale, preserve brand consistency, and decrease costs across production. Therefore, the decision to standardize is rarely made in isolation and depends on a range of contextual elements. According to the study of Katsikeas, Samiee, and Theodosiou in 2006, the degree of product standardization is closely linked to the similarity between foreign markets across six key dimensions: regulatory environment, technological intensity and velocity, customs and traditions, customer characteristics, the stage of the product in its life cycle and competitive intensity. When these elements are aligned across markets, companies are more likely to benefit from a uniform product offering<sup>3</sup>. Furthermore, Zou and Cavusgil in their research in 2002, distinguish international experience, global orientation, and external globalizing conditions as

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<sup>1</sup> MADAR(A), and NEACȘU (N): « *the advantages of global standardization*», Bulletin of the Transylvania University of Brașov, Vol. 3, N°52, December, 2010, PP.62-66.

<sup>2</sup> ONKVISIT (S), SHAW (J): *International marketing; analysis and strategy*, 4<sup>th</sup> edition, Routledge Taylor and Francis P.285.

<sup>3</sup> KATSIKEAS (C), SAMIEE (S), and THEODOSIOU(M): «*Strategy fit and performance consequences of international marketing standardization*», Strategic Management Journal, Vol 27, N°9, 2006, PP.867-890.

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critical determinants that encourage multinational companies (MNCs) to pursue standardization<sup>1</sup>. In essence, firms with a global outlook and operational maturity are better positioned to exploit the efficiencies and consistency offered by a standardized product strategy.

While product standardization may offer operational efficiency, it can also lead to major market disconnect when companies fail to consider local preferences. This is well illustrated by the so-called “big car” and “left-hand drive” syndromes, which describe the past reluctance of American automakers to adapt their vehicles to foreign market conditions. Assuming that American consumer preferences were universally valid, companies exported oversized left-hand drive cars to markets where infrastructure, regulations, and driving standards demanded different specifications. This ethnocentric approach often led to disappointing sales and highlighted the limitations of rigid standardization<sup>2</sup>.

### 2.2.2 Adaptation:

Product adaptation ‘refers to the fact that a firm offers in foreign markets, products that meet the regulatory and technical standards of the host country, and / or embed the culture, preferences, tastes and needs of consumers in this country’<sup>3</sup>. Building on the concept of adaptation, Cavusgil, Zou, and Naidu in their research in 1993 identified key company-level factors, including international experience and product uniqueness, as well as external elements such as competitive intensity and cultural differences that influence the decision to adapt products to international markets<sup>4</sup>. In addition, subsequent studies by Calantone, Cavusgil, Schmidt, and Shin further emphasize the importance of legal environment similarity, marketing responsiveness, and market familiarity in shaping adaptation strategies<sup>5</sup>.

In light of this insights, it becomes vital that adaptation should not be viewed as a reactive strategy but a proactive tool to build trust, relevance, and competition differentiation in international markets.

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<sup>1</sup> Zou (S), and Cavusgil (S): «*The GMS: A broad conceptualization of global marketing strategy and its effect on firm performance*», Journal of Marketing, Vol 66, N°4, 2002, PP.40-56.

<sup>2</sup> ONKVISIT (S), SHAW (J): *International marketing; analysis and strategy*, 4<sup>th</sup> edition, Routledge Taylor and Francis, P.287.

<sup>3</sup> KARURARANGA (E), MUSONERA (E), POULIN (A): «*State of Art: Product Adaptation in Times of Globalization*», International Journal of Business and Social Science, Vol 3, N°22, PP.19-32.

<sup>4</sup> CAVUSGIL(S), ZOU (T), and NAIDU, (G.M), 1993: «*Product and promotion adaptation in export ventures: An empirical investigation*», Journal of International Business Studies, Vol 24, N°3, PP.479.

<sup>5</sup> CALANTONE (R.J), CAVUSGIL (S), SCHMIDT (J. B), and SHIN(G.-C): «*Internationalization and the dynamics of product adaptation - an empirical investigation*», Journal of Product Innovation Management, Vol 21, N°3, 2004, PP.185-198.

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Scholars view international product strategy as a continuum rather than a binary choice. As Cooper and Kleinschmidt evoke in their study in 1985 that companies position themselves between full standardization and full adaptation. The optimal balance depends on a combination of internal capabilities including branding, innovation, and export dependence and external market forces such as consumer culture, legal frameworks, and technological shifts<sup>1</sup>. Conclusively, there is no superior strategy, only a need for companies to analyze their environments and adopt flexible, content-related strategies that align product offering with both global efficiency and local expectations.

### 3 International pricing strategies:

international pricing is a critical element of strategic export management, playing a decisive role in a firm's ability to compete and succeed in global markets. To develop an effective international pricing strategy, companies must carefully consider the various factors that influence pricing decisions.

#### 3.1 Factors influencing international pricing:

##### 3.1.1 Costs structures:

Costs remain as the primary determinants of international pricing. Companies must consider both fixed costs such as administrative expenses, salaries, and rent and variable costs, which encompass production, shipping, customs duties, and marketing expenditures. According to Kotler and Armstrong, determining the total cost of getting a product to a foreign customer is crucial to ensure pricing covers all incurred expenses<sup>2</sup>. According to the research of Musonera and Ndagijimana in 2008, a failure to account international-customer related costs such as shipping fees, tariffs, insurance, warehousing, and market specific promotional expenses can lead firms to set prices that are too low to cover total expenses. This underpricing not only undermines profit margins but also threatens the financial sustainability of the company's international operations over times<sup>3</sup>.

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<sup>1</sup> COOPER (R. G), and KLEINSCHMIDT (E. J): «*The impact of export strategy on export sales performance. Journal of International Business Studies*», Vol 16, N°1, 1985, PP.37-55.

<sup>2</sup> OTUEDON (M.U): «*Factors Affecting International Marketing Strategies: Pricing, Channel Structures and Advertising*», European Journal of Business and Management, Vol 8, N°5, 2016, PP 42-52.

<sup>3</sup> MUSONERA (E), and NDAGIJIMANA (U): «*An examination of factors that affect pricing decisions for export markets*», The Journal of Global Business Management, Vol 4, August, 2008, PP.189-198.

### 3.1.2 Competition:

The level of competitive intensity within international markets is a pivotal factor in shaping international pricing strategies. In highly saturated and price sensitive environments, companies are forced to adopt aggressive pricing tactics such as penetration pricing in order to gain or maintain market share. On the contrary, in markets identified by lower competitive pressure or where companies offer exceedingly differentiated products, firms possess a greater pricing autonomy and are better positioned to apply premium pricing strategies. In addition, companies must engage in constant competition analysis, not only to anticipate competitor pricing but also to establish their own strategic position whether as price leaders capable of influencing market rates, or as followers adapting to prevailing price trends.

### 3.1.3 Nature of Product or Industry:

The ability of a firm to have some discretionary power over price prominently depends on the intrinsic characteristics of the product, and the structural dynamics of the industry in which it operates. Products that are technologically advanced or highly customized commonly face limited direct competition and can therefore sustain premium pricing strategies. However, companies operating in mass-consuming industries, where several comparable alternatives exist, encounter intensified price sensitivity and are compelled to involve in pricing adjustments to maintain competitiveness and market relevance<sup>1</sup>.

### 3.1.4 Exchange Rate Fluctuations:

Volatility in exchange rates represents a crucial challenge for companies engaged in global pricing. Fluctuations in currency values whether through depreciation, appreciation, or inflation can have a significant effect on a firm's cost structure, profitability, and the purchasing power of foreign consumers. Exchange rate depreciation in the target market may increase import costs for consumers, making foreign products low-priced and reducing demand. Contrariwise, appreciation can erode a company's price competitiveness by making its products higher-priced relative to local alternatives. In essence, companies must make

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<sup>1</sup> CAVUSGIL (S): «*Pricing for global markets*», The Columbia Journal of World Business, Vol 31, N°4, 1996, PP.66-78.

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strategic decisions regarding the currency of transactions, appraise local inflationary trends, and adopt hedging strategies to mitigate financial exposure<sup>1</sup>.

### 3.1.5 Distribution System:

Distribution structures play a crucial role in shaping international pricing strategies, the selection of relevant distribution channels notably influences final pricing due to additional margins required by intermediaries alongside the supply chain. As Obigbemi notes in his research, companies must cautiously evaluate whether to engage in direct distribution to end consumers or rely on intermediaries such as wholesalers and retailers. When products pass through multiple intermediaries, each layer adds its own markup, which can inflate the final retail price and potentially decrease price competitiveness. In essence, to forbid excessive price escalation, companies need to determine standard pricing regulations that account for intermediary margins while maintaining market demand, and also include digital platforms and direct-to-consumer models to bypass traditional channels which lead to reduced distribution costs and enhance price control in international markets<sup>2</sup>.

### 3.1.6 Location of Production Facility:

The geographical placement of production can influence both cost and price flexibility. Centralized production in the home country may result in higher operational costs due to international shipping expenses or import duties. These additional costs can restrict a company's capacity to adapt pricing to local market conditions. On the contrary, establishing decentralized or regionally distributed production facilities allows companies to mitigate cost-related risks associated with geopolitical instability, supply chain disruptions, and trade barriers. In addition, proximity to target markets optimizes operational agility, allowing companies to respond more effectively to changes in local demand, regulatory changes, or economic conditions, thereby endorsing greater pricing flexibility<sup>3</sup>.

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<sup>1</sup> MAGDA (K), and MIRZAIE (I.A): «*The Effects of Exchange Rate Fluctuations In Output and Prices: Evidence From Developing Countries*», The Journal of Developing Areas , December, 2003, Vol 38, N°2, PP.2-31.

<sup>2</sup> OBIGBEMI (I); «*the role of competition on the pricing decision of an organization and the attainment of the organizational objective*», Annals of the University of Petroșani, N°1, 2010, PP.229-248.

<sup>3</sup> OTUEDON (M.U): «*Factors Affecting International Marketing Strategies: Pricing, Channel Structures and Advertising*», European Journal of Business and Management, Vol 8, N°5, 2016, PP 42-52.

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### 3.1.7 Government Regulations in the Foreign Market:

Governments regulations and legal frameworks play a pivotal role in shaping the pricing strategies of firms in international markets. These regulations must be meticulously considered when establishing product pricing across foreign contexts. The major objectives of such laws are to protect consumers, foster competitive market conditions, and ensure ethical and equitable business practices. Besides rules against deceptive or discriminatory pricing, country-specific taxes like tariffs, value-added taxes, or import duties can significantly impact pricing structures<sup>1</sup>. In addition, certain governments impose minimum (floor) or maximum (ceiling) price limits on specific products or services, aiming to reduce exorbitant price volatility. Price floors are typically implemented to safeguard domestic industries against predatory pricing strategies by foreign competitors, thereby maintaining equitable competition. Conversely, price ceilings are often introduced to restrain inflation or to guarantee that essential goods remain affordable and accessible to local consumers. While such measures serve important economic and social purposes, they can significantly restrict companies' ability to set competitive and market-responsive prices in international markets.

### 3.2 International pricing strategies:

Companies adopt numerous international pricing strategies depending on internal cost structures, market conditions, and competitive dynamics. Among the most prominent are:

#### 3.2.1 Rigid cost-plus pricing:

The Rigid cost-plus pricing is one of the most traditionally used strategies in international markets. This method involves setting export prices by counting the domestic manufacturing costs with a fixed gross margin and additional international customer-related expenses including research and development, customs, packaging, insurance, and marketing expenditures. The strategy's rigidity lies in its standardized markup, which does not account for external market dynamics such as local demand sensitivity or competitive pricing. While it ensures consistent profit margins, it may result in pricing that is uncompetitive in certain markets<sup>2</sup>.

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<sup>1</sup> Bearden (W), Laforge (R), and Ingram(N): *Marketing, Principles & Perspectives*, McGraw-Hill Education, 2007, P.257.

<sup>2</sup> MUSONERA (E), NDAGIJIMANA (U): «*An Examination of Factors that Affect Pricing Decisions for Export Markets*», The Journal of Global Business Management, April, 2008, Vol 4, PP.189-198.

### 3.2.2 Flexible cost-plus pricing:

The flexible cost-plus pricing strategy introduces greater adaptability into the cost-plus model by enabling companies to adjust prices based on market-specific characteristics. In addition, price reductions or discounts may be granted depending on the size of the order, customer loyalty, local competition, or currency change rate fluctuations. Therefore, this approach enables firms to address international market pressures more effectively while still maintaining a cost-based foundation for pricing decisions<sup>1</sup>.

### 3.2.3 Incremental pricing:

This strategy focuses on covering only variable costs, assuming that fixed costs are already recovered through domestic or other market sales. Consequently, this approach enables companies to offer highly competitive prices, making it effective for market penetration<sup>2</sup>. However, *‘When carried to an extreme, incremental pricing may invite competitors to accuse a company of dumping and charging a lower price for exported products, sometimes below manufacturing cost, potentially driving local suppliers out of business. Dumping may be regarded as unfair or illegal, leading to sanctions from the World Trade Organization.’*<sup>3</sup>

## 4 Export Logistics & Supply Chain Management:

Export logistics and supply chain management compass the process of planning, coordinating, executing, and controlling the movement of goods from one country to another through a range of activities to ensure that goods are delivered efficiently, cost-effectively, and in compliance with all regulations.

To effectively identify the factors influencing export logistics management, it's imperative first to contemplate the export logistics process, as illustrated in the figure below:

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<sup>1</sup> BARUSMAN (A), YULIANA, MINIAWATI (T), and MIRFAZLI (E): « *Analysis of Implementation Cost Plus Pricing Method in the Decision on the Determination of Product Sales Prices*», international journal of advanced science and technologie, Vol 29, N°6, 2020, PP.1832-1838.

<sup>2</sup> Deshpande (S): «*Various Pricing Strategies: A Review*», Journal of Business and Management, Vol20, N°2, February, 2018, PP 75-79.

<sup>3</sup> CAVUSGIL(S), KNIGHT(G), RIESENBERGER(J): *International business: new realities*, 5th edition, Pearson, 2019, P.500.

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**Figure N°1.5: The export logistics process**



**Source:** <https://eescair.com/expert-advice/export-logistics/> (Accessed on 03/27/2025 at 8:32AM)

A thorough analysis of this process enables the identification of critical factors that directly impact export logistics management, including:

## 4.1 Export logistics documentation:

Export documentation is the cornerstone of international business, assuring transparency, compliance, and efficiency throughout the global supply chain, and the complexity of export documentation arises from the need to adhere to specific requirements based on the destination country, product type, transportation method, and payment terms.

The export documentation process starts with a quotation or pro forma invoice, which functions as a formal quotation outlining key transaction details such as pricing, product specifications, and delivery terms. Once an order is confirmed, a commercial invoice and packing list are prepared for customs clearance and financial transactions. The commercial invoice serves as a legal record of the transaction, while the packing list details the contents, dimensions, and weight of each package to facilitate inspection. To mitigate risks during international transit, an insurance certificate is issued, providing proof of coverage and terms in the event of loss or damage. One of the most critical documents is the bill of lading, which simultaneously acts as a receipt, a contract of carriage, and a document of title providing the

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legal right to claim ownership of the goods upon arrival. Collectively, these documents ensure compliance with international trade regulations, support logistical coordination, and guarantee the exporter's interests through the supply chain.<sup>1</sup>

### 4.2 Transportation:

Transportation plays a pivotal role in export logistics, directly influencing cost, delivery time, and product integrity. The selection of a suitable transportation mode is primarily determined by three critical factors<sup>2</sup>:

- The value-to-volume ratio: refers to the economic density of a product, in other words its monetary worth with its physical mass or volume. It serves as a crucial indicator of the value added during the production process.
- Perishability of the product: implies a product's vulnerability to quality degradation over time or functional obsolescence throughout its life cycle, demanding controlled logistics solutions.
- Cost of transportation: must be evaluated in relation to both the product's value density and Perishability. It encompasses not only the immediate expense of moving goods but also the broader economic expenses of delivery speed, reliability, and reduction of risk. For perishable or high-value products, it is generally worthwhile to spend money on high-quality transport modes to prevent loss, remain competitive, and ensure compliance with quality specifications.

In light of these considerations, companies must carefully evaluate the most suitable mode of transport to ensure efficiency and cost-effectiveness in the global supply chain, choosing among the following options:

- Road transportation: Road transport plays a critical role in both domestic and international trade as it offers direct, flexible, and door-to-door service, making it optimal for the movement of goods before or after international shipping.
- Ocean transportation: Maritime transport is the backbone of international business, particularly for non-perishable goods such as crude oil, steel, and automobiles. Ocean shipping provides three primary options:

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<sup>1</sup> HULT (T), CLOSS (D) and FLAYER (D): *Global supply chain management*, McGraw-Hill, 1st edition, 2014, p.94

<sup>2</sup> KOTABE(M), HELSEN(K): *Global marketing management*, 4th edition, John Wiley and Sons, 2007, P.511.

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- Liner service, which operates on fixed schedules and predefined routes, ensuring reliability and consistency for exporters.
  - Bulk shipping, which functions under contractual agreements for predetermined periods, making it ideal for commodities like grain, coal, and petroleum.
  - Irregular runs, which offer flexibility for shipments that do not fit within regular liner schedules.
- Air transportation: Air transportation is a vital component of international trade, particularly for high-value, time-sensitive, and perishable goods. It offers a fast and reliable mode of transport, minimizing transit times and reducing the risk of product obsolescence. Advances in aircraft design have expanded cargo capacity, facilitating the growth of global courier services and enhancing supply chain efficiency.
- Intermodal Transportation: The complexities of global trade necessitates the use of multiple transport modes to optimize cost, efficiency, and reliability. Intermodal transportation integrates various methods such as ocean freight, trucking, rail, and air freight allowing firms to leverage the advantages of each while minimizing logistical constraints.

### 4.3 Selecting foreign country market intermediaries:

Selecting the appropriate distribution channel is a critical and long term decision in export logistics and global supply chain management. Once established, distribution channels can be difficult to alter due to legal contracts, established relationships, and the significant investments required to nurture intermediaries, therefore companies must choose channels that are not only suitable for current market conditions but also flexible enough to adapt to future developments.

A fundamental decision in selecting intermediaries is the choice between direct and indirect channels<sup>1</sup>:

- **Direct channels**: these involve the use of a firm's own sales force or wholly owned subsidiaries to manage distribution. These channels offer firms enhanced control over marketing strategies, customer service, brand representation, making them

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<sup>1</sup> DOOLE(I), LOWE(R), KENYON(A): *International marketing strategy Analysis; Development and Implementation*, 8th edition, Cengage, 2019, P.341

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particularly suitable for products requiring high level of after-service requirements or for companies pursuing a long term commitment in a foreign market.

- **Indirect channels:** these involve the use of external intermediaries, such as agents or distributors, who handle activities like inventory management, promotion, order processing, and customer service. Indirect channels require less financial and managerial investment, making them attractive for firms entering new foreign markets. They can select between various types of distributors partners such as:
  - Export distributors: assume ownership of goods and perform a wide range of tasks, including inventory holding, promotional activities, credit extension, order processing, shipping arrangements, and sometimes product maintenance and repair.
  - Export agents: act as negotiators between buyers and sellers without taking title to the goods. Typically engaged on a temporary or commission basis, they are suitable for firms seeking flexibility and minimal commitment in a given market.
  - Wholesalers: purchase products outright and manage their physical distribution, often reselling to other intermediaries or institutional buyers. They offer manufacturers a cost-efficient means to access fragmented or small-scale markets.

### 4.4 Packaging:

Packaging in the context of international logistics refers to the strategic inclusion of packaging design and functionality with logistical processes to optimize the global efficiency and effectiveness of supply chain operations. As defined by García, Prado, and Garrido in their study by the term ‘packaging logistics’ captures the synergy between these two domains, emphasizing how well-designed packaging can maintain transportation, storage, and information flow across the supply chain<sup>1</sup>.

This integration enables companies to optimize supply chain performance by guaranteeing the right product is delivered in the right quantity, in the right condition, in the right place, at the right time, to the right customer, and at the right price. Advocates claim that such alignment reduces operational costs, enhances management efficiency, and facilitates

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<sup>1</sup> GARCÍA(J), PRADO (J.C), and GARRIDO (A.T): «*Packaging logistics: promoting sustainable efficiency in supply chains*», International Journal of Physical Distribution and Logistics Management, Vol 44, N°4, 2014, PP. 325-346.

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smoother coordination among supply chain actors. In addition, the design of packaging is no longer considered merely a technical or marketing decision, but a strategic component of logistical planning.

The literature consistently distinguishes three key functions of packaging within logistics<sup>1</sup>:

- Protection and conservation: relates to primary packaging and secures that products maintain their physical and chemical integrity throughout transit.
- Transport, handling, and storage: encompasses all three levels of packaging (primary, secondary, tertiary), and support movement across multiple supply chain stages.
- Information: refers to the communicative role of packaging, where printed data, or encoded messages, offer instructions for handling, identify contents, and conform with regulatory terms.

In essence, packaging serves as a critical interface between product design and logistical execution in export operations. Its role extends beyond simple protection to encompass facilitation of international transport, compliance with cross-border regulations, and enhancement of logistical visibility and control.

### **Section 03: The importance of strategic export management on multinational companies (MNCs)**

In the context of a rapidly progressing global economy, multinational companies (MNCs) have developed as central players in shaping international trade, investment, and business strategy. These companies are not only instruments of economic growth but also key promoters of globalization, linking markets, cultures, and resources across borders. Understanding what defines a multinational company is crucial to understand the strategic role these firms play in the global markets.

#### **1 Definition of multinational companies (MNCs):**

Multinational companies (MNCs), also referred to as transnational corporations, global enterprises, or international firms, are a major driving force of globalization and play a central role in international business dynamics. They are companies that operate in multiple countries while maintaining a centralized management structure. These firms engage in cross-

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<sup>1</sup> VERNUCCIO(M), COZZOLINO (A), MICHELINI (L): «*An exploratory study of marketing, logistics, and ethics in packaging innovation*», European Journal of Innovation Management, 2010, Vol 13, N°3,2010, PP.333-354.

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border production, distribution, and investment activities, leveraging global resources to enhance their competitiveness.

The level of a company's multinationalism is commonly evaluated throughout a set of structural and operational factors. These include the constitution of production facilities not only in the home country but also in multiple foreign markets, therefore going beyond simple distribution activities. Other common benchmarks include operating in a minimum number of host countries, often six or more, and deriving a significant share of overall revenue from foreign operations. Additional criteria may involve the proportion of foreign employees relative to the total workforce, the percentage of assets held abroad, and the presence of a geocentric or globally integrated management philosophy. Decisively, multinationalism also indicates the firm's capability to directly manage its foreign investments and subsidiaries, rather than simply holding passive ownership stakes. Together, these attributes underline the nature of MNCs as intricately structured and strategically coordinated entities, deeply embedded in the processes of global economic integration<sup>1</sup>.

### **2 The Strategic Role of Multinational Corporations in Driving Globalization:**

Multinational corporations (MNCs) assist as the primary architects of economic globalization through three interconnected channels: foreign direct investment (FDI) and foreign production, international transfer of knowledge and technology, and the expansion of foreign trade<sup>2</sup>. FDI and production overseas allow MNCs to establish value-added activities in host countries, therefore incorporating local resources into global supply chains and nurturing regional development. Knowledge and technology transfers measured by royalties and licensing fees instituted a second critical mechanism, according to the World Investment Report in the 1990s, payments for technology transfers grew at an annual rate of 11.1 percent, outpacing FDI outflows and underscoring MNCs' role as conduits of innovation<sup>3</sup>. Finally, foreign trade has historically been the core of globalization, driven in large part by the production networks of MNCs headquartered in developed economies.

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<sup>1</sup> CHERUNILAM (F): *International trade and export management*, Himalaya publishing house, 2010, P.239.

<sup>2</sup> [http://\(PDF\) The Role of Multinational Corporations \(MNCs\) in Globalization, \( published on 25/06/2020, accessed on 15/05/2025 at 10:30 AM\).](http://(PDF) The Role of Multinational Corporations (MNCs) in Globalization, ( published on 25/06/2020, accessed on 15/05/2025 at 10:30 AM).)

<sup>3</sup> World Investment Report, *Unctad*, 1997.

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By optimizing these channels, MNCs not only capitalize on location-specific advantages such as low-cost labor or access to raw materials but also shape the competitive dynamics of entire industries. They harmonize internationally dispersed operations under a unified strategic framework, aligning production, R&D, and marketing across borders to achieve economies of scale and scope. In doing so, MNCs accelerate both the extent and intensity of globalization. In essence, through harmonized investments, technology dissemination, and trade expansion, MNCs have become indispensable engines of global economic integration, driving not only economic but also socio-cultural and political dimensions of globalization.

### **3 The importance of strategic export management on multinational companies (MNCs):**

Strategic export management plays a fundamental role in strengthening the performance, resilience, and market positioning of multinational companies, it implicates the systematic planning, executing and monitoring of export activities to attain competitive advantage in foreign markets through:

#### **3.1 Enhancing market competitiveness:**

Strategic export management is necessary to enhance the global competitiveness of MNCs since it allows them to systematically align their export operations with the needs of the international market. Export competitiveness, as perceived by the research of Paul and Dhiman in 2021, is a multifaceted phenomenon influenced by productivity, price, innovation, and the extent to which the firm adjusts to global economic trends. Through a consistent export strategy, MNCs can optimally distribute resources, customize products and services to fit diverse consumer demands, and exploit scale economies, increasing cost-effectiveness and differentiation. Strategic export management also allows firms to anticipate and respond effectively to exogenous challenges like trade policy instability, exchange rate fluctuations, and rivalry pressures, and to create endogenous competencies like market research, cross-border logistics, and compliance management<sup>1</sup>. This integrative and proactive action not only supports ongoing market presence and customer loyalty but also confirms the firm's position as a reliable and adaptive competitor in highly competitive international environments.

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<sup>1</sup> PAUL(J), DHIMAN (R): «*Three decades of export competitiveness literature: systematic review*», synthesis and future research agenda, Vol 38, N°5, March, 2021, PP.1082-1111.

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Strategic export management therefore emerges as the ultimate enabler of long-term performance and international success for MNCs operating in dynamic and volatile trade environments.

### 3.2 Mitigating risk in global markets:

In the global business environment, MNCs are increasingly exposed to an intricate web of risks that may threaten the success of their export operations. These risks include economic volatility, political instability, legal and regulatory ambiguities, cultural misalignment, and operational perturbations, each of which can considerably influence the performance and continuity of international trade activity.

To address these challenges, strategic export management serves as a crucial tool among a broader integrated risk management framework, allowing companies to anticipate, appraise, and mitigate various categories of risk in a coherent and structured approach. According to the study of Miller in 1992, risk in international markets can be categorized into three main types: general environmental risk, industry-specific risk, and firm-specific risk<sup>1</sup>.

#### 3.2.1 Environmental risk mitigation:

Strategic export management provides MNCs with the flexibility to diversify across several geographic markets, thereby reducing overdependence on any single country. This geographic diversity mitigates exposure to macroeconomic shocks including recession, currency devaluations, or geopolitical conflicts, in any one region. Therefore, companies that actively manage a balanced portfolio of export destinations are better positioned to counterbalance losses in one market with profits in another. In addition, forecasting planning and contingency export models allow companies to promptly reallocate resources or rechanneled shipments when geopolitical risks threaten specific export destinations.

#### 3.2.2 Industry-specific risk mitigation:

industry-specific risk includes changes on trade regulations, or shifts on global demand patterns which can be managed through continuous market intelligence and active regulatory compliance strategies. Export strategies that include strategic

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<sup>1</sup>MILLER(K): «*A framework for integrated risk management in international business*», Journal of International Business Studies, Vol. 23, N°2, 1992, PP.311-331.

alliance with local partners, or the use of export intermediaries, allow MNCs to persist in responding to industry-level disruptions.

Moreover, maintaining a modular supply chain where elements can be sourced from different regions optimize the firm's capability to adapt to precipitous trade barriers or cost rises, thus guaranteeing operational continuity.

### **3.2.3 Firm-specific risk mitigation :**

firm-specific risk such as strategic misalignment, lack of international experience, or coordination failures, can be mitigated by developing organizational capabilities in export planning, cross-border negotiation, and international logistics. A strategically designed export function incorporates the company's broader risk management system, ensuring that internal decision-making processes are coordinated with external risk conditions.

Strategic Export Management emerges as a pivotal approach of a company's integrated strategy to international risk management. When implanted into corporate strategy, export planning acts not only as a commercial tool but as a resilience process that allows the firm to absorb, adapt to, and recover from external shocks.

### **3.3 Optimization of productivity and cost efficiency:**

Strategic export management is a key driver of determining productivity optimization and cost minimization in multinational corporations (MNCs). With the implementation of rigorous market analysis and economies of scale, MNCs are in a position to maximize operating effectiveness at lower costs associated with international trade. A well-planned export plan facilitates easier logistics, efficient supply chain integration, and minimization of inefficiencies as a result of breaks or excessive levels of inventory expense. Additionally, the integration of data based on analytics enables businesses to optimize pricing strategies, optimize resource allocation, and choose high-yielding markets with minimal fiscal risk. By using advanced technological capabilities and robust export planning, MNCs can sustain competitive advantage, improve scalability in production, and achieve long-term fiscal sustainability in the international market.

### **Conclusion of the chapter:**

Strategic export management is a vital element of multinational global operations, ensuring effective market expansion, risk mitigation, and competitive advantage in the foreign markets. By combining key components as entry mode selection, regulatory compliance, supply chain coordination, and other components. Companies can optimize their international trade strategies while minimizing numerous challenges.

In essence, a well-structured export strategy not uniquely boosts performance and global expansion but also reinforces resilience against a multitude of risks such as economic and geopolitical fluctuations. Moreover, strategic export management allows firms to capitalize on emerging opportunities in high-demand countries, optimize pricing strategies. This proactive approach ensures long-term competitiveness and sustains profitability in evolving global markets.

After exploring the framework of strategic export management, the next chapter will explore the dimensions of Performance and Competitiveness, in order to better understand the cause-and-effect relationship between these dimensions and the strategic export management with multinational companies.

## **Chapter 01: Strategic Export Management**

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**Chapter 02:  
Foundations and Interrelations  
of Competitiveness and  
Performance**

## Chapter 02: Foundations and Interrelations of Competitiveness and Performance

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### Introduction of the Chapter:

In an increasingly dynamic and globalized economic environment, competitiveness and performance have become central pillars for the sustainability and success of business.

This chapter aims to explore these two interconnected concepts, and it is structured into three sections:

- **Section 01:** Definition and measurement of competitiveness
- **Section 02:** Foundations and dimensions of performance
- **Section 03:** The interrelationship between competitiveness and performance

### Section 01: Definition and measurement of competitiveness

Understanding competitiveness is crucial for examining a company's strategic positioning and long term sustainability in foreign markets. This section aims to define the concept of competitiveness, highlighting its different dimensions. Additionally, it explores the various approaches used to measure competitiveness at the firm level.

#### 1 Definition of competitiveness:

Competitiveness is an economic concept applicable to firms, industries, or regions. It fundamentally reflects the sustained capacity of an entity to produce and market tradable goods or services while maintaining an edge over rivals. In other words, it refers to an entity's capability to confront foreign competition. This concept has been the subject of widespread theoretical debate across diverse schools of thought, each offering valuable insights into the factors underpinning companies' superior performance in different market. Despite these contributions, the definition of competitiveness remains heterogeneous and fragmented.

Following a review of the existence literature, several definitions have been identified to illustrate and clarify this concept:

A review of theoretical frameworks characterizes competitiveness as *'the ability to deliver goods and services at the time, place and form sought by overseas buyers at prices as*

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*good as or better than those of other potential suppliers whilst earning at least opportunity cost returns on resources employed.*<sup>1</sup>

Similarly, Michael Porter, a leading authority on competitive strategy defines competitiveness as ‘*the sustained capacity of an economic actor whether an individual, corporation, or a nation to deliver value that aligns with consumer demands despite rivalry from competing entities.*’<sup>2</sup>

And the Organization of Economic Co-operation and Development OECD offers a broader, macroeconomic perspective, stating that ‘*competitiveness refers to the ability of companies, industries, regions, nations or supranational entities to sustainably generate relatively high income and employment levels while being and remaining exposed to international competition.*’<sup>3</sup>

These complementary definitions amplify three dimensions of competitiveness:

- operational efficiency in global market participation.
- sustainable value creation and differentiation.
- Contribution to broader economic prosperity.

### 2 Conceptual approaches to competitiveness:

Competitiveness as discussed in the economic literature, can be analyzed through two main perspectives:

#### 2.1 The unidimensional approach to competitiveness:

Proponents of the unidimensional approach argue that in the face of competition, a company can achieve and sustain a competitive advantage by depending on a single component. According to this perspective, competitiveness is assessed through a quantitative indicator, generally focused on cost or market share. By narrowing the measurement to a sole factor, often price or production efficiency, this approach streamlines the evaluation of a company’s position.<sup>4</sup>

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<sup>1</sup> SHARPLES(J) and MILLHAM(N): «*Long-run competitiveness of Australian agriculture*», in Economic Research Services, Foreign Agricultural Economics Report. 1990.

<sup>2</sup> ABDELJELLIL(M) and HOUNACI (F): *The contribution of entrepreneurship to business creation and competitiveness*, master thesis on commercial sciences (option: international affairs), the school of higher commercial studies, 2014, P.43.

<sup>3</sup> <https://> Le concept de compétitivité territoriale : Accessed on April 14 ,2025 at 11:14 AM.

<sup>4</sup> TALMENSSOUR(K): «*Companies’ competitiveness: literature review, theories and models*», International Journal of Accounting, Finance, Auditing, Management and Economics, Vol 3, N°1, January, 2022, PP.58-84.

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The following table summarizes the main authors associated with the unidimensional approach and the key factors they propose for measuring competitiveness:

**Table N°2.1: Main authors and indicators of the unidimensional approach**

| Authors  | Unidimensional factors      |
|--|-----------------------------|
| Boston Consulting Group;<br>Siggel and Cockburn (1995)   | Unit cost of products       |
| Dollar and Wolff (1993)                                  | Productivity                |
| Krugman and Hatsopoulos (1988)<br>Mandeng (1991)         | Market share                |
| Hickman (1992) ;<br>Turner and Golub (1997)              | Labor unit cost             |
| Jorgenson et Kuroda (1992) ;<br>Durand and Giorno (1987) | Price-based competitiveness |

**Source:** TALMENSSOUR(K): « *Companies' competitiveness: literature review, theories and models* », International Journal of Accounting, Finance, Auditing, Management and Economics, Vol 3, N°1, January, 2022, PP.58-84.

Despite its focus, this approach has faced significant criticism, scholars argue that limiting competitiveness to cost, price, or market share neglects other crucial factors, such as product quality, brand image, and environmental considerations. By restricting competitiveness to a purely quantitative domain, this approach fails to capture the multidimensional nature of competitiveness in today's markets. In essence, it has been suggested that competitiveness should integrate both cost-related and no-cost-related dimensions to provide a more holistic and realistic appraisal.<sup>1</sup>

### 2.2 The multidimensional approach :

This approach expands the understanding of competitiveness by integrating multiple factors beyond a single indicator. It is mainly represented by Michael Porter's frameworks:

This approach expands the understanding of competitiveness by integrating multiple factors beyond a single indicator. It is mainly represented by Michael Porter's frameworks:

<sup>1</sup> BEN MLOUKA(S), SAHUT (J.M): « *Is size a determining factor in company's competitiveness?* », The Journal of Management Sciences, N°233, October, 2008, PP.77-86.

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### 2.2.1 Porter's frameworks:

#### 2.2.1.1 Porter's generic strategies:

According to Michael Porter, a company can achieve competitive advantage by adopting one of the three generic strategies, as illustrated in the following figure:

**Figure N°2.1: Porter's generic strategies**



**Source:** <https:// Porter's Generic Strategies and how to use them> Accessed on April 15, 2025 at 06:03 PM

Each of these strategies offers a different path to attaining and sustaining competitive advantage, as outlined below:

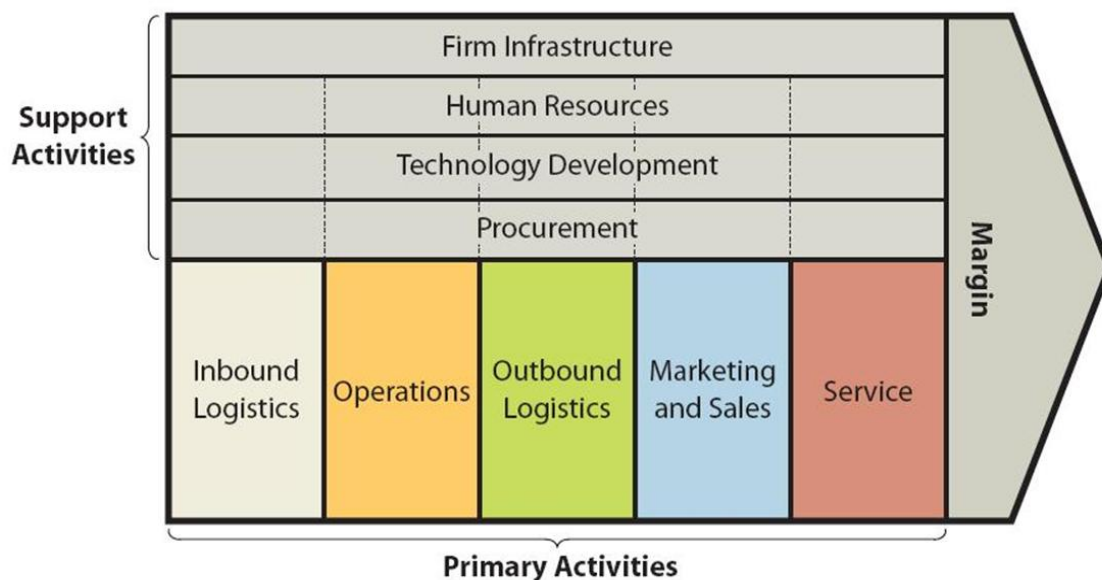
- **Cost leadership strategy:** This strategy seeks to establish a competitive edge by achieving the lowest production and operational costs in the industry. By minimizing costs relative to rivals, the company gains the capability to set market prices, and boost its market position.
- **Differentiation strategy:** emphasizes creating a product or service with unique characteristics that are perceived and valued by clients. This distinctiveness enables the company to charge a premium price, therefore optimizing its competitive position.
- **Focus strategy:** requires concentrating efforts on a specific market segment or customer group, offering either a cost advantage within that niche (cost focus) or a distinguished offering customized to the needs of that segment (differentiation focus).

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### 2.2.1.2 The value chain framework:

Michael Porter in 1985 introduced the concept of the value chain as a framework for identifying a company's sources of competitive differentiation by disintegrating its operations into economically significant activities. He defines the value chain as 'a representation of a firm's value-adding activities, based on its pricing strategy and cost structure'<sup>1</sup>. This analytical model empowers firms to outline their internal processes systematically and detect opportunities to generate and sustain competitive advantage, as illustrated in the figure bellow, Michael porter's model demonstrates how business activities are categorized:

**Figure N°2.2: Porter's value chain model**



**Source:** <http://Value Chain ทฤษฎีห่วงโซ่แห่งคุณค่า คืออะไร - CEO CHANNELS> Accessed on April 15,2025 at 06:54 PM.

According to the figure, Porter identifies two broad categories of activities within the value chain:<sup>2</sup>

- **Primary activities:** represent the core functions that directly contribute to the creation, production, and delivery of a product or service, including:
  - Inbound logistics: Activities related to receiving, storing, and managing inputs.
  - Operations: Processes involved in transforming inputs into final products.
  - Outbound logistics: Distribution of final products to clients.

<sup>1</sup> KUMAR (D), RAJEEV (P.V): «*Value Chain: A Conceptual Framework* », international journal of engineering and Management science, Vol 7, N°1, 2016, PP.74-77.

<sup>2</sup> MAHÉ DE BOISLANDELLE(H): *Management dictionary: vocabulary, concepts, and tools*, Economica, Paris, 1998, P.59.

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- Marketing and sales: Efforts to promote and sell the products, including advertising, pricing, and sales strategies.
- Services: Actions aimed at maintaining the product's value after sales including services like customer support.
- Support activities: Provide the necessary infrastructure to enable the primary activities to function efficiently, including:
  - Firm infrastructure: Organizational structures, control systems, and overall company management.
  - Human resource management: Recruitment, training, and development of personnel.
  - Technology development: Research and development, process improvement, and technological innovations.
  - Procurement: The acquisition of inputs, raw materials, and other resources required for operations.

Through a systematic analysis of both primary and support activities and their synergies, companies can identify specific sources of competitive advantage. This framework enables firms to gain a deeper understanding of their cost structures and uncover opportunities for differentiation. In addition, the purpose of value chain analysis is to maximize customer value while minimizing costs, therefore boosting the firm's overall competitive position.<sup>1</sup>

### 2.2.1.3 Porter's five forces framework:

Michael Porter's five forces model provides an analytical perspective on the competitive environment in which a company operates. In his perspective, a firm's competitiveness is determined by its capability to respond to pressures exerted by five key factors<sup>2</sup> as illustrated in the figure below:

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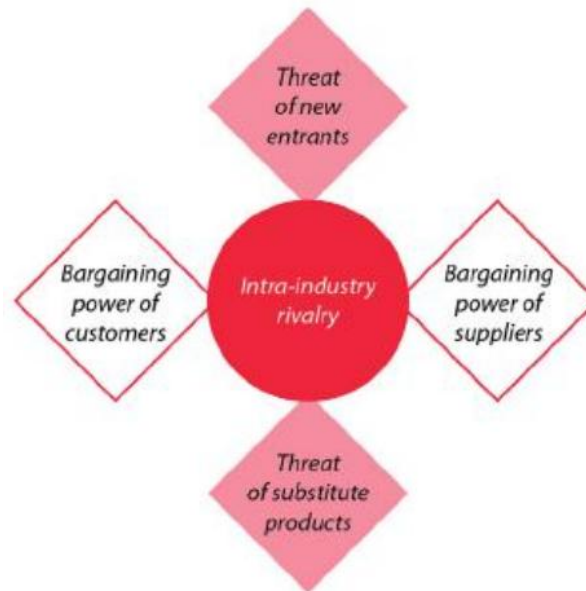
<sup>1</sup> ADREYEN (S): « *The contribution of quality management to the improvement of companies 'competitiveness'* », Master thesis on organization and companies' management, High School of commerce, 2023, P.29.

<sup>2</sup> EL. EFRIT(K) and Hassainya (F): « *Analysis of the competitiveness of Agrifood companies and products: Relevance, and contribution of the value chain approach* », CIHEAM, N°33, 2001, P.224-238.

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**Figure N°2.3: Porter's five forces model**



**Source:** MICHAUX, (S) and CADIAT, (A.C): *Porter's five forces*, translated by PROBERT, (C), 50mintues.com, 2015, P.9.

- **Bargaining power of customers:** This reflects the ability of customers to demand lower prices, higher quality, or more favorable conditions, therefore influencing company's pricing and profit margin.
- **Bargaining power of suppliers:** refers to the degree to which suppliers can influence the pricing, quality, and availability of inputs provided to companies.
- **Threat of substitute products:** represents the risk posed by alternative products or services that could respond to the same customer needs, potentially decreasing demand for a firm's offering.
- **Threat of new entrants:** Describes the ease or difficulty with which new competitors can enter an industry, impacting market share and profitability.
- **Intra-industry rivalry:** refers to the intensity of competition among current players in the market, which can drive price wars, increase marketing costs, and undermine profitability.

By systematically evaluating the impact of these forces, companies can identify both opportunities and risks specific to their industry. This analytical framework equips companies with critical insights to formulate effective strategies that enhance differentiation, optimize competitive positioning, and sustain long-term competitive advantage in the marketplace.

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### 2.2.2 The inverse approach to competitiveness:

Van Berkum introduces what is known as the inverse approach of competitiveness, shifting the analytical focus from components that generate competitiveness to those that hinder it. Rather than aiming to directly define and measure the complex and ambiguous context of competitiveness, Van Berkum argues that it is more simple to identify the factors leading to a lack of competitiveness, which are:<sup>1</sup>

- Technical inefficiency: refers to deficiencies in the quality of products or processes, the failure to exploit economies of scale, as well as inefficient management of materials and data.
- Marketing inefficiency: includes inadequate expertise among human resources, ineffective commercial strategies, and a lack of access to relevant market information.
- Market inefficiency: relates to structural weaknesses in the market environment, including Misperceptions of competitive dynamics and inefficient or absent government interventions.

By highlighting the analysis of deficiencies and obstacles, Van Berkum's inverse approach provides a diagnostic frame that emphasizes the barriers companies must overcome to optimize their competitive position. Therefore, this framework offers insights into how and why firms fail to attain competitiveness, rather than focusing merely on the factors that drive success.

### 3 The dimensions of competitiveness

It exists two typologies of competitiveness: price competitiveness and non-price competitiveness:

#### 3.1 Price competitiveness:

Price competitiveness refers to a company's capabilities to offer products or services at lower prices than foreign rivals while maintaining an equivalent level of quality, which reflects the progress of a firm's domestic prices to those of international competitors.

Moreover, companies that focus on price competitiveness generally implement several cost reduction and efficiency-optimizing strategies, which include leveraging economies of scale to reduce unit costs, maximizing operational processes, and negotiating advantageous

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<sup>1</sup> TALMENSSOUR(K): « *Companies' competitiveness: literature review, theories and models* », International Journal of Accounting, Finance, Auditing, Management and Economics, Vol 3, N°1, January, 2022, PP.58-84.

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conditions with suppliers. In extremely competitive markets, companies may as well engage in aggressive pricing strategies to offer a more desirable price point than competitors.<sup>1</sup>

### 3.2 Non-price competitiveness:

Non-price competitiveness refers to a firm's ability to differentiate its products or services through value-added attributes rather than price which could be product quality, innovation, after-sales services, brand image, and other intangible elements that impact customer preferences.

Non-price competitiveness encompasses to:

- Technological competitiveness: based on the intrinsic characteristics of products and services, it emphasizes the role of innovation, research, and technical expertise as key components of differentiation. In essence, this approach reflects a firm's ability to commercialize advanced products or services that respond to evolving market demands.<sup>2</sup>
- Structural competitiveness: reflects a firm's ability to distinguish itself from competitors through long-term, non-price factors such as brand image, reputation, and product variety. This approach of competitiveness emerges from strategic investments in R&D, human capital, and quality enhancement.

### 4 Key indicators of measuring a company's competitiveness:

While the notion of competitiveness is widely debated in the academic literature, there is no universally agreed-upon set of standardized indicators for measuring it. The multifarious nature of competitiveness, comprising economic, strategic, operational, and market-related dimensions, has led to the development of numerous frameworks and measurement approaches.

In this part, we examine the most commonly cited indicators in the literature:

#### 4.1 The dual equation of competitiveness:

This approach emphasizes that the long-term effectiveness of a competitiveness strategy relies on the interdependence between actual competitive performance and the customer perception of that competitiveness, which could be summarized as follows:

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<sup>1</sup><http://> Notions : Compétitivité prix et hors prix - Accessed on April 17,2025 at 10:11 AM.

<sup>2</sup> NEZEYS, (B): *International competitiveness*, Edition Economica, Paris, 1993, P.6.

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$$\text{Success} = \text{Competitiveness} \times \text{Customer perception}$$

According to this framework, a firm may implement an efficient cost strategy and manage pricing, but if customers don't perceive the company as competitive, the strategy may ultimately fail. In this context, perception is not a secondary concern but a decisive factor.

Therefore, the equation of competitiveness itself is structured as a multiplicative liaison including three key components <sup>1</sup>:

$$\text{Competitiveness} = (\text{Cost control} + \text{Labor Productivity}) \times \text{Asset turnover}$$

**Cost control:** represents a core element of competitiveness, requiring companies to capitalize on economies of scale, learning curve effects, and process optimization. The purpose is to reduce costs without sacrificing value, guided by clear market insights into what clients truly demand.

**Labor productivity:** plays a crucial role in strengthening a company's overall competitiveness. Optimizing productivity involves simplifying internal processes and transferring certain tasks when possible to the end user. A common example of this is IKEA, where customers are responsible for assembling furniture at home, which reduces costs and enhances efficiency.

**Asset turnover:** reflects how effectively a company uses its resources to generate revenues and there exist two strategies which can be applied separately or in combination. The first strategy focuses on minimizing capital investment, where firms choose not to invest heavily in fixed assets instead relying on external partners, which allows firms to maintain operational flexibility. Otherwise, firms may prioritize low-cost labor over capital investment by arbitraging between production factors, favoring labor-intensive models where wage costs are relatively low. In both cases, the objective is to increase the efficiency of asset utilization while maintaining competitiveness in dynamic market environments.

### 4.2 The competitiveness square:

In order to effectively assess a company's competitiveness, it's crucial to consider four core dimensions that form what is often referred to as the 'competitiveness square': productivity, quality, flexibility, and innovation. The subsequent figure illustrates this framework,

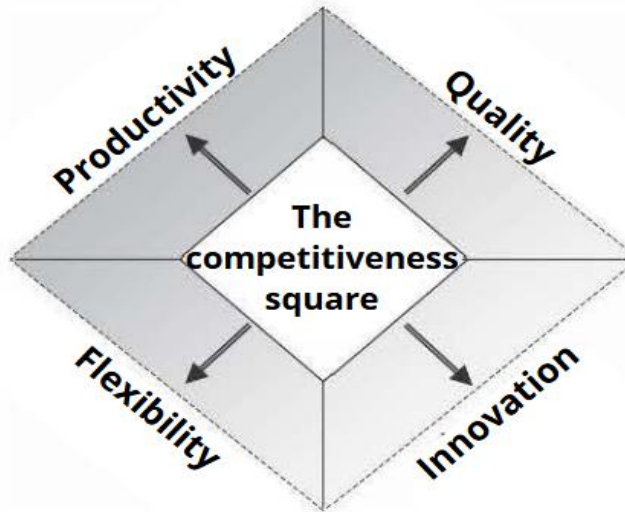
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<sup>1</sup> DUCREUX (J), KACHANER(N), ABATE(R): *The big book of strategy*, Edition organization, 2011, P.247.

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providing a visual presentation of how these dimensions serve as strategic elements of a company's ability to adopt, perform, and thrive.<sup>1</sup>

**Figure N°2.4: Competitiveness square model**



**Source:** MEIER, (O): *Strategic diagnosis*, Edition Dunod, Paris, 2015, p.5.

The four dimensions outlined in the figure serve as principal factors for evaluating a firm's competitiveness:

- **Productivity:** is defined as the ratio between the output generated and the inputs employed in the production process, which reflects the company's efficiency in mobilizing its production factors, including labor, capital, technology, and organizational resources. In essence, enhancing productivity contributes directly to cost reduction and, in consequence, improves price competitiveness.
- **Quality:** refers to the firm's commitment to consistently delivering defect-free products or services that meet clients' expectations. Central to this objective is the principle of 'zero defects', a fundamental approach aimed at minimizing variability and ensuring statistically impeccable outcomes. Additionally, the implementation of total quality management (TQM) seeks to embed quality over all organizational processes. Concurrently, these two principles emerge as key drivers of long-term competitiveness, enabling companies to sustain differentiation, build trust, and adapt to evolving market demand.

<sup>1</sup> MEIER, (O): *Strategic diagnosis*, Edition Dunod, Paris, 2015, P.5.

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- **Flexibility**: refers to the firm's capability to respond effectively to changes in the environment, including market demand fluctuations, regulatory shifts, and competitive pressures. It manifests in operational adaptability as switching between product types without delays, establishing cross-functional teams, and promoting employee versatility.
- **Innovation**: represents the introduction of new products or services, processes, or organizational methods that boost the company's value proposition. Innovation may be incremental (small improvements), combinatorial (reconfiguration of existing elements), or radical (creative changes). Innovations can generate productivity gains and cost reductions, which in turn strengthen competitiveness and stimulate demand.

### 4.3 Market share:

Market share is a fundamental indicator of a company's competitive positioning within its industry, defined by KOTLER and DUBOIS as ( the percentage of total sales captured by a firm in a given market)<sup>1</sup>. In essence it operates as a direct measure of a firm's performance relative to its rivals.

Before undertaking market share analysis, the firm must firstly choose the most suitable metric to employ and this decision involves selecting among several established methodological approaches:

- **Global market share :**

evaluates a company's sales in relation to total market sales, either by volume (units sold) or value (revenue generated). This measure offers insight into the company's global standing and effectiveness in capturing market demand.

**Market share by volume = Quantity of product sold / Total quantity sold in the market**

**Market share by value = Revenue generated by the product / Total market**

- **Relative market share :**

<sup>1</sup> CHAOUCHE, (R) and CHIOUKH, (M): *An analysis of the competitiveness of Algerian companies in the household appliances sector*, master thesis on commercial sciences (option: Finance and international business), Mouloud Mammeri university of Tizi-Ouzou, 2020, P.32.

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The relative market share metric is an important tool that helps companies understand how their brand is performing in comparison to its competitors<sup>1</sup>, calculated as:

$$\text{Relative Market Share (\%)} = 100 \times (\text{Market share of the firm} / \text{Market share of the leading rival})$$

### Section 02: Foundations and dimensions of company performance

In today's complex and expanding business environment, understanding what composes performance and the elements that shape it, is critical for evaluating organizational success. This section provides a conceptual foundation to better comprehend the multidimensional nature of performance and its strategic significance for firms operating in volatile foreign markets.

#### 1 Origins of the notion of performance:

The term 'performance' has its etymological origins in old French during the 13th century, derived from the Latin verb 'performer', meaning to accomplish or to execute. But in the 15th century, the English verb 'to perform' emerged, amplifying the meaning to encompass both the act of completing a task and the outcomes allied with it<sup>2</sup>. According to Bourguignon, the concept of performance was originally used in two specific domains: sports, to denote competition results, and mechanics, to outline the technical capability of machines<sup>3</sup>. In the 20th century, its meaning evolved further to indicate, in quantitative terms, the capability of a machine, and by default, exceptional productivity. Since then, performance has become a pivotal concept drawing growing attention from researchers in the field of management.

#### 2 Definition of company performance:

Company performance is a multidimensional framework central to business research, reflecting a firm's ability to attain strategic, financial, and operational objectives. While its definition varies across the literature, this part presents key interpretations proposed by different authors:

<sup>1</sup><http://> What is Relative Market Share? Benefits & Calculation | Marketing91 Accessed on April 19,2025 at 12 :20 AM

<sup>2</sup> MAHI, (A): *The effectiveness of the Algerian governance code on the improvement of corporate financial performance*, Doctoral thesis in Management science, University of Djilali Liabes of Sidi Bel Abbes, 2021, P.72.

<sup>3</sup> Bourguignon(A): « *Can performance be defined?* » French accounting review, 1995, PP.61-66.

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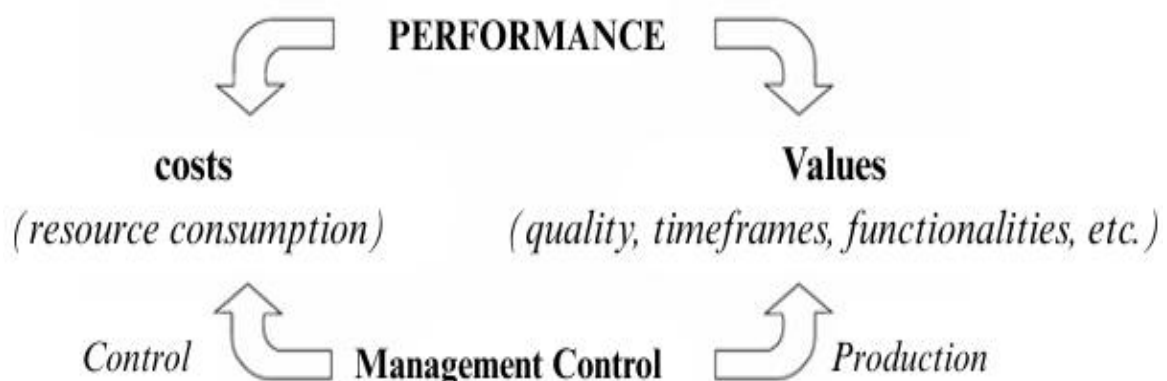
According to Essor, ‘*The concept of performance within a company refers to the degree of accomplishment of results considering the efforts applied and resources utilized. It predominantly relies on the concepts of effectiveness and efficiency.*’<sup>1</sup>

Alfred Chandler approaches performance as ‘*An association between functional efficiency and strategic efficiency. Functional efficiency consists of improving products, purchases, production processes, marketing function, and human relations within the company. Strategic efficiency consists of outpacing competitors by positioning oneself on a growing market or withdrawing from a market in decline.*’<sup>2</sup>

Among the most widely recognized definitions is that of Lorino Philippe, who states that ‘*Performance in a company is everything, and only what contributes to improving the value-cost pair. Conversely, what contributes to reducing costs or increasing value, separately, is not necessarily performance.*’<sup>3</sup>

This dual perspective can be illustrated through the cost-value model of performance, which underlines the balance between resource consumption(costs) and the production of value (quality, time), as shown in the following figure:

**Figure N°2.5: The cost-value model of performance**



**Source:** GIRAUD(F), SAULPIC(S), NAULLEAU, (G), DELMOND (M, H) et BESCOS, (P.L): *Management control and performance management*, Edition GUALINO, Paris, 2004, P.65.

<sup>1</sup> MAHMOUDI, (I): *The contribution of integrating information systems to the improvement of the Company's performance*, Master thesis on Information Systems Governance, High School of management and digital economy, 2024, P.16.

<sup>2</sup> CHANDLER, (A): *Organization and companies' performance*, Edition Organization, Paris, 1990, P.18.

<sup>3</sup> LORINO, (P): *Methods and practices performance*, Edition organization, Paris, 1996, P.18.

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### 3 Key concepts related to performance:

#### 3.1 Effectiveness :

Effectiveness is defined as ‘*The ratio between the results achieved by a system and the objectives pursued. Thus, the closer the results are to the objectives pursued, the more effective the system will be. Therefore, the degree of effectiveness will be used to characterize the performance of a system.*’<sup>1</sup>

In essence, at the core of all performance evaluation approaches, effectiveness is appraised through the organization’s ability to achieve its objectives. In more concise form, effectiveness can be expressed by the following formula:

$$\text{Effectiveness} = \text{Achieved results} / \text{Targeted objectives}$$

#### 3.2 Efficiency:

Efficiency represents ‘*the ratio between the objectives pursued and the means used to achieve them*’. In other words, it indicates a firm’s ability to reach its goals while minimizing the resources utilized. Therefore, it contemplates the productivity of a company as it associates the results gained to the resources consumed which can be summarized by the subsequent formula:

$$\text{Efficiency} = \text{Results achieved} / \text{Means used}$$

From a financial perspective, efficiency is measured through two key dimensions<sup>2</sup> :

- productivity: refers to the optimization of physical resources, aiming to maximize output while minimizing the use of tangible resources as labor or raw materials.
- profitability: involves the optimization of financial resources, concentrating on maximizing financial returns relative to the investments and expenses incurred.

These two aspects align with a liberal perspective of performance, emphasizing both the sustainability of activities and the maximization of existing resources.

<sup>1</sup> DE BOISLANDELLE (H): *Management dictionary: vocabulary, concepts, and tools*, 1998, Economica, P.140.

<sup>2</sup> LAKHDAR, (A): *The impact of management control system on firm's performance*, Master thesis on Audit and management control, High School of management and digital economy, 2023, P.33.

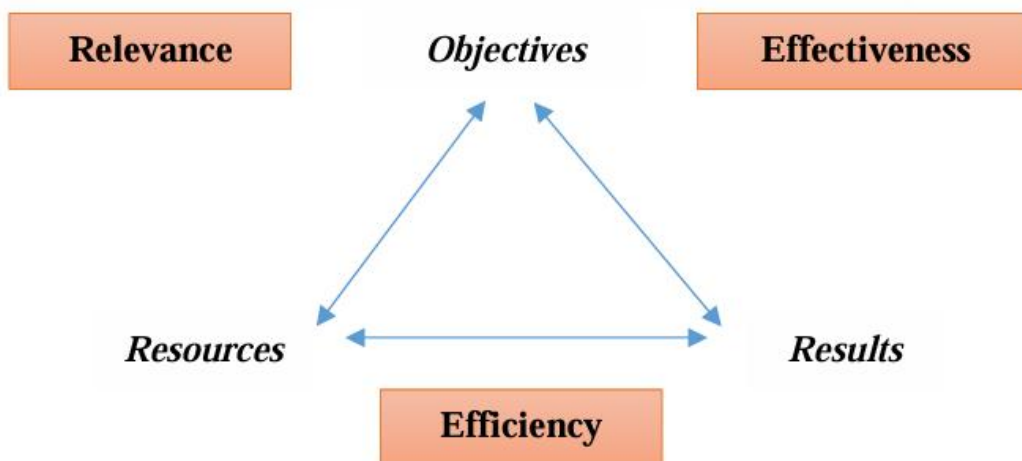
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### 3.3 Relevance:

Relevance is a subjective and intricate notion that remains difficult to measure with precision. It commonly refers to the adequacy of the resources allocated and the actions taken in response to the objectives pursued. In other words, relevance determines whether the strategies, resources, and efforts deployed are certainly aligned with the desirable outcomes. Therefore, relevance serves as a critical dimension in evaluating the quality and pertinence of performance.

The following figure demonstrates the triangular relationship with the principal factors that define performance:

**Figure N°2.6: Key concepts related to performance**



**Source:** LAKHDAR, (A): *The impact of management control system on a firm's performance*, Master thesis on Audit and management control, High School of management and digital economy, 2023, P.33.

In essence, these three dimensions interact through the essential elements of objectives, resources, and results offering an integrated view of performance, where firms not only need to evaluate their outcomes but also guarantee that their efforts are justified and resource-conscious.

### 4 Dimensions of performance:

Performance is a multidimensional concept that cannot be reduced to a simply one indicator. To capture its complexity, several typologies have emerged, each highlighting a distinct aspect of how companies operate and succeed. These typologies offer a structured way to analyze performance across various internal and external dimensions:

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### 4.1 Strategic performance:

Strategic performance, also known as long-term performance, reflects ‘*the company’s ability to achieve its strategic objectives. It allows for assessing the relevance of long-term strategic decisions and thus serves as a guarantor of the company’s sustainability*’<sup>1</sup>. As underlined by Mathé and Chagué in 1999, there exists a strong correlation between a firm’s strategic intent and its overall performance, highlighting the relevance of managerial vision and leadership<sup>2</sup>. In increasingly complex and uncertain economic environments, this type of performance becomes pivotal for maintaining long-term competitiveness. Nevertheless, its achievement depends on numerous success factors, including a well-defined strategic plan, a dynamic organizational culture, motivated personnel, customer satisfaction, and loyalty. However, some scholars like Nkongolo Bakenda warns that when these factors are overemphasized, they may hinder a firm’s adaptability and eventually lead to failure. In essence, strategic performance represents both an opportunity and a challenge, requiring alignment between vision, execution, and external conditions.<sup>3</sup>

### 4.2 Organizational performance:

Organizational performance alludes to how effectively a firm structures and manages its internal processes to achieve its objectives. Initially associated to cost minimization in early management control systems, this concept has since involved to encompass a wide and more complex understanding of what makes an organization perform well.<sup>4</sup>

Nowadays, evaluating organizational performance implies considering not only financial results but also non-financial indicators, including the quality of relationships between organizational components, the flow of information within the company, and the flexibility of organizational structure. In other words, organizational performance is the result achieved in relation to the company’s objective and strategy, it serves as an evaluation criterion for the overall quality of organizational functioning.

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<sup>1</sup> HABIBI (Z), and GUATI (R): « *The determinant factors of overall business performance: A theoretical and empirical literature review*», International Journal of Innovation and Applied Studies, Vol 36, N° 2, May, 2022, PP.502-517.

<sup>2</sup>Sogbossi-Bocco (B): « *Perception of the notion of performance by small companies’ leaders of Africa*», Revue of management science, N° 241, February, 2010, PP.117-124.

<sup>3</sup> Nkongolo-Bakenda, (J.M), d’Amboise, (G), and Garnier, (B): «*The association between the strategic vision of SME owner-managers and the performance of the performance of their company*», International revue P.M.E, Vol 7, N° 1, May, 1994, PP.35-61.

<sup>4</sup> GIRAUD(F), SAULPIC(S), NAULLEAU, (G), DELMOND (M, H) et BESCOS, (P.L): *Management control and performance management*, Edition GUALINO, Paris, 2004, P.65.

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### 4.3 Global performance:

Global performance is increasingly perceived in academic and managerial literature as an integral framework that includes the economic, social, and environmental dimensions of corporate activity. It is understood as the integration of financial, social, and environmental performance, reflecting a multidimensional approach to evaluating organizational success. This integration indicates a coherent alignment between the three dimensions, supported by casual models that link numerous elements originating from each dimension, thereby reinforcing the interdependence of sustainable development objectives.<sup>1</sup>

To deepen the understanding of global performance, it's essential to examine its three core dimensions:

#### 4.3.1 Financial and economic performance:

Financial and economic performance refers to a firm's capability to ensure its survival and achieve its strategic objectives. Traditionally, it served as the primary benchmark for evaluating corporate success and centered on cost related efficiency. This dimension is assessed through quantitative indicators including Return on Equity (ROE), Financial Self-Sufficiency (FSS), Return On Sales, Return On Invested Capital, and Earnings Per Share EPS.

#### 4.3.2 Social performance:

Social performance highlights the quality of human and social relations within a company, reflecting its capability to manage and boost its human capital, which could operate in two interrelated levels<sup>2</sup>:

- The individual, encompassing personnel development and motivation.
- The collective, including team dynamics and organizational culture.

This dimension of performance is commonly evaluated through indicators such as employee engagement and absenteeism rates. Therefore, achieving competitiveness and excellence requires the creation of organizational structure that stimulates initiative and nurture creativity among employees.

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<sup>1</sup> MAUREL(C) and TENSAOUT(M): «*Proposal of a model for representing and measuring global performance*», Accounting-Control-Audit, Vol 3, N° 20, August, 2014, PP.73-99.

<sup>2</sup> HABIBI (Z), and GUATI (R): «*The determinant factors of overall business performance: A theoretical and empirical literature review*», International Journal of Innovation and Applied Studies, Vol 36, N° 2, May, 2022, PP.502-517.

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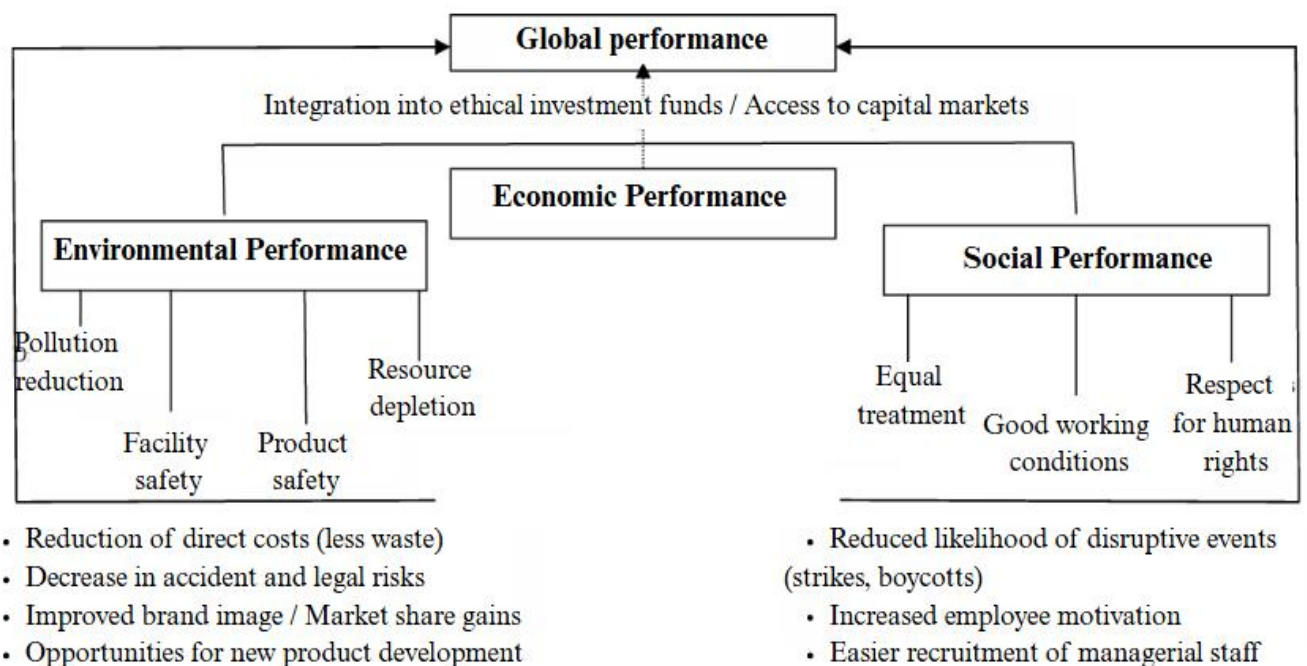
In this context, social performance is not simply a supportive function but a vital driver of innovation, resilience, and long-term organizational success.

### 4.3.3 Environmental performance:

Environmental performance can be defined as the measurable outcomes of a company's environmental management system, reflecting its ability to reduce and control the environmental impacts of its activities in line with its environmental policy, objectives, and target. In addition, this concept aligns with the principles of sustainable development and involves the use of different tools to mitigate the ecological footprint of corporate operations. Among its key indicators are the consumption of natural resources and energy, the implementation of environmental life cycle assessments, and compliance with international environmental standards such as ISO norms.

The following figure illustrates the three dimensions of global performance:

**Figure N°2.7: The dimensions of global performance**



**Source:** Renaud(A), Berland (N): « *Measurement of corporate global performance* », Environmental accounting, Poitiers, France, December, 2010, PP.2-22

This figure highlights the multifaceted nature of global performance and offers a systematic framework for studying it. Environmental performance, economic performance, and social performance are the three main pillars that interact to shape global performance.

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By combining these factors, a comprehensive strategy for corporate sustainability is secured, bringing long-term commercial success and moral duty into line. Firms can attain comprehensive global performance that benefits stakeholders and society at large by a balance between social equality, economic viability, and environmental guidance.

### 4.4 Commercial performance:

Commercial or marketing performance, refers to the company capability to meet customer demands. It is intrinsically linked to the broader performance types previously explored as customer satisfaction lies at the core of any company's mission. Although the priorities may vary depending on whether the focus is economic, social, or environmental performance, they all ultimately contribute to the same overarching objective; fulfilling customer needs in order to generate value and sustain profitability.<sup>1</sup>

### 5 Performance indicators:

The evaluation of organizational performance depends on the selection of suitable indicators, which vary according to the specific performance dimension under consideration. Despite their pivotal role in measurement, there is no universally agreed-upon definition of performance indicators (PIs) in the academic literature.

However, Luc Godin, and H el ene Bergeron in their research define it as: *'a significant piece of information, an index, or a representative statistic aimed at measuring a state or phenomenon related to the functioning of an organization'*<sup>2</sup>. As well, Philippe Lorino in his study refers to performance indicators as : *information intended to help an actor, whether individual or collective, to guide the course of an action toward achieving an objective or to enable them to evaluate its outcome.*<sup>3</sup>

Following Lorino's definition, it becomes evident that a performance indicator is not merely a passive metric but an active instrument rooted within the company's strategic and operational processes. Based on this perspective a performance indicator should fulfill three fundamental characteristics:

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<sup>1</sup> Sogbossi-Bocco (B): « *Perception of the notion of performance by small companies' leaders of Africa* », Revue of management science, N  241, February, 2010, PP.117-124.

<sup>2</sup> GODIN(L), and BERGERON(H): « *Integration of performance indicators into process management in SMEs within the framework of the 2000 version of the ISO 9001 standard* », The role of European dimension in Accounting, Control, Audit, May, 2009, PP.1-17.

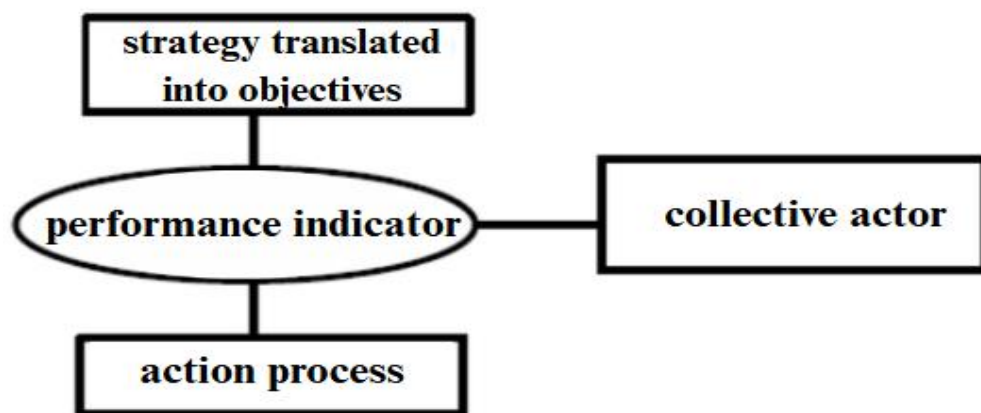
<sup>3</sup> LORINO(P): « *The balanced scorecard revisited: Strategic dynamics and performance management –Example of energy company* », 22nds AFC congress, May 2001, France, PP.1-20.

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- Operational relevance: means it must be directly linked to a specific action or process, guiding or evaluating operational activities.
- Strategic relevance: it should align with the company's objectives, measuring either the achievement of these goals or the progress of related actions.
- cognitive effectiveness: it must be easily contemplated, interpreted, and used by its audience, typically collective actors such as management teams or decision-making groups.

These interconnected functions are visually represented in Lorino's analytical model, which situates the performance indicator at the intersection of strategic objectives, collective actors, and action processes as illustrated in the following figure:

**Figure N°2.8: Characteristics of performance indicator**



**Source:** LORINO(P): «*The balanced scorecard revisited: Strategic dynamics and performance management – Example of energy company*», 22nd AFC congress, May 2001, France, PP.1-20.

The table below presents key indicators used to assess each performance dimension:

**Table N°2.2: Key Performance Indicators (KPI)**

| Performance dimension | Indicator      | Function/Definition                                  | Formula                                     |
|-----------------------|----------------|--|---|
| Financial & Economic  | Gross Margin   | Measures profit from sales before operating expenses | Gross margin=Net Sales – Cost Of Goods Sold |
|                       | Revenue Growth | Tracks increase in sales over time.                  | Revenue Growth = Revenue N – Revenue N-1    |

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|                      |                                 |  |   |
|----------------------|---------------------------------|--|---|
|                      | Return On Equity                | Indicates how effectively the firm uses invested capital to create value for its owners                                    | $ROE = \text{Net Income} / \text{Shareholders' Equity}$   |
|                      | Financial Self-Sufficiency      | assesses a company's ability to cover its costs with its revenues while maintaining the real value of its equity over time | $FSS = \text{Operating Income} / (\text{Operating Expenses} + \text{Financial Cost} + \text{Loan Loss Provision} + \text{Cost of Capital (imputed)})$ |
| <b>Environmental</b> | Driving Force Indicator         | Captures activities that indirectly impact environment.  | –   |
|                      | Pressure Indicator              | Measures pollutants or emissions released.   | –   |
|                      | Impact Indicator                | Evaluates environmental or health consequences.  | –   |
|                      | Response Indicator              | Tracks initiatives reducing environmental impact   | –   |
| <b>Social</b>        | Entry Rate                      | Measures workforce renewal through hiring.   | $\text{Entry Rate} = \text{New Hires} / \text{Total Staff}$   |
|                      | Turnover Ratio                  | Indicates workforce stability.   | $\text{Turnover} = ((\text{Entries} + \text{Exits}) / 2) / \text{Staff}$  |
|                      | Absenteeism Rate                | Tracks hours lost due to absence.  | $\text{Absenteeism} = \text{Absent Hours} / \text{Theoretical Hours}$   |
|                      | Exit Rate                       | Measures workforce departures.   | $\text{Exit Rate} = \text{Departures} / \text{Total Staff}$   |
| <b>Commercial</b>    | Customer Acquisition Cost (CAC) | Measures the average cost incurred to acquire a new customer, indicating   | $CAC = (\text{Marketing Costs} + \text{Sales Costs}) / \text{Number of New Customers Acquired}$   |

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|  |                         |  |  |
|--|-------------------------|--|--|
|  |                         | marketing and sales efficiency.                  |  |
|  | Market Penetration Rate | Measures firm's success in gaining market users. | Market Penetration = Customers Acquired / Target Market  |
|  | Customer Retention Rate | Proportion of customers retained over time.      | $CRR = \frac{(E-N)}{S} \times 100$ <p>E = the number of customers at the end of the period<br/> N = the number of new customers acquired during the period<br/> S = the number of customers at the start of the period</p> |

**Source:** compiled by us from previously cited bibliographic reference: LAKHDAR, (A): *The impact of management control system on a firm's performance*, Master thesis on Audit and management control, High School of management and digital economy, 2023, P.33.

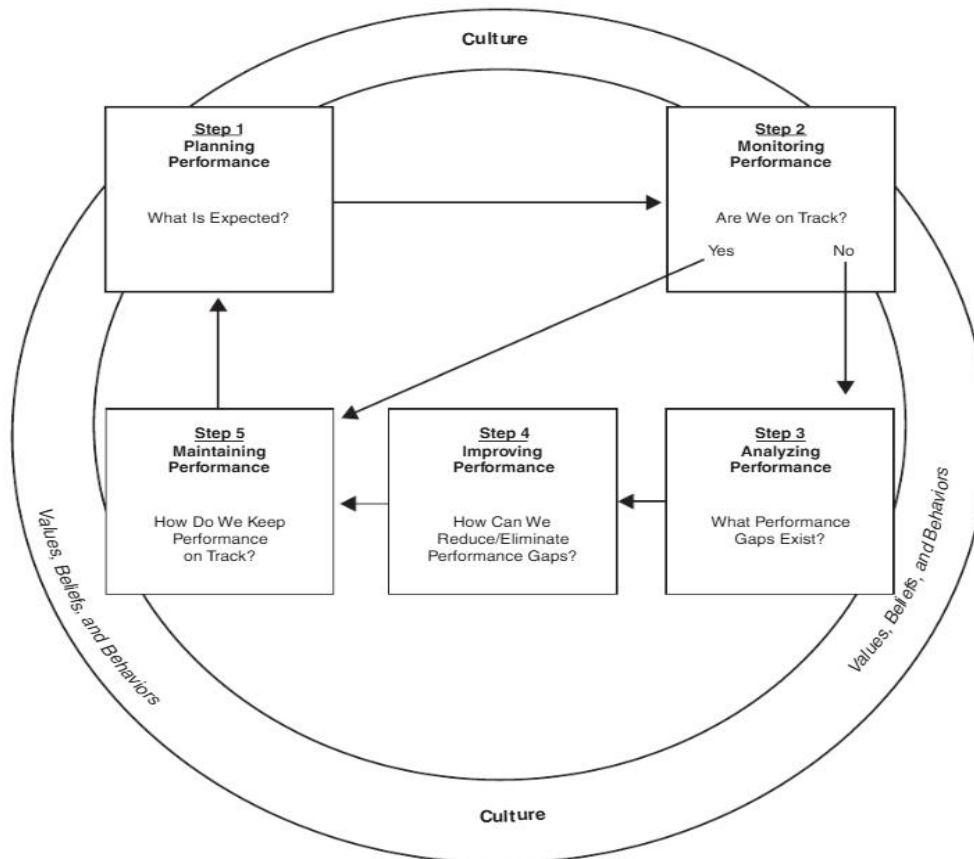
### 6 Performance management model:

The concept of performance management constitutes structured, proactive collaboration between employees and management, designed to optimize both individual contribution and collective output through strategic alignment. The following figure presents a comprehensive performance management model, demonstrating a cyclical five steps process that emphasizes continuous improvement and alignment with the company's values, culture, and long-term objectives<sup>1</sup>:

<sup>1</sup> CALDWELL,(C):*Performance Management*, Amacom, 2002, P.15.

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**Figure N°2.9 : Performance management model**



**Source:** CALDWELL,(C):*Performance Management*, Amacom, 2002, P.16.

### 6.1 Planning performance :

The first phase of performance management involves the strategic definition of performance expectations. At this point, the central focus lies in clarifying the objectives to be achieved and the standards by which performance will be assessed. This requires a collaborative effort between managers and employees to determine not only what is expected in terms of outcomes but also the scope of autonomy granted in the execution of tasks. This step intends to align individual goals with organizational priorities, therefore ensuring coherence across levels of the firm. Furthermore, effective planning determines a framework in which employees gradually gain ownership of their roles, fostering self-regulation and accountability.

### 6.2 Monitoring performance:

The second phase of the performance management cycle focuses on systematically tracking progress regarding established goals. The guiding question at this stage is whether the

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performance track aligns with predefined expectations. To efficiently monitor performance, it is crucial for both the manager and the employee to reach an agreement on the metrics and tools to be employed commonly through the use of visual aids such as performance dashboards. Once the measurement frame is agreed upon, the collection and analysis of real-time data become pivotal to appraising results.

### 6.3 Analyzing performance:

The third phase of the performance management model depends on answering the central question from step 2 in the figure: **‘Are we on track?’** If the answer is no, this step becomes essential in identifying the root causes of poor performance, which refers to the difference between expected and actual outcomes. A systematic and objective analysis is crucial to determine the origin of these gaps, which may stem from causes like a lack of feedback, insufficient training, or task-related obstacles. Once the cause is identified, the next task is to assess the Potential for Improved Performance (PIP), which involves evaluating whether addressing the gap is worth the investment of time, energy, and effort.

### 6.4 Improving performance:

Following the identification of performance gaps and their underlined causes, the fourth phase of the performance management model focuses on implementing relevant strategies to close those gaps, which heavily depends on the accuracy of the diagnosis conducted in step 3. The suitability of each strategy varies according to the specific nature of the gap, the context in which it has emerged, and the resources available. A well-chosen approach not only accelerates the improvement process but also optimizes employee engagement and accountability in achieving performance objectives.

### 6.5 Maintaining performance:

The final phase of the management performance model aims to sustain and reinforce effective results over time. This stage is reached after confirming that performance is on track (step 2) or following the successful implementation of improving strategies (step 4). To guarantee continuous success, it is critical to establish feedback mechanisms that deliver both positive and corrective feedback as needed. Ultimately, this phase closes the loop by preparing the company to re-enter the performance management cycle, fostering constant progress and alignment with strategic objectives.

### Section 03: The interrelationship between performance and competitiveness

After having thoroughly explored the fundamental concepts of performance and competitiveness, in this section the focus will be on examining how these two dimensions interact is essential for assessing how firms can leverage one to reinforce the other and ultimately drive sustainable success.

#### 1 Theoretical foundation:

The relationship between competitiveness and performance has been a central theme in strategic management literature, reflecting the ongoing quest to contemplate how companies achieve and sustain superior outcomes in dynamic markets. Two principal theoretical frameworks have emerged to explain this connection:

##### 1.1 Industrial Organization (I/O) Model:

The Industrial organization (I/O) model emphasizes the importance of the external environment in shaping a company's behavior and outcomes. In particular, the structure of the market including factors like competition, barriers to entry, and customer power largely impact the firm's strategic choice and long-term success.<sup>1</sup>

The first implication of (I/O) model suggests that a firm's ability to achieve strategic competitiveness is closely tied to the external environment. Specifically, the selection of industry that offers the greatest potential for profitability. From this perspective, competitiveness arises from external positioning rather than internal differentiation. Companies operating in industries characterized by high entries barriers, favorable economies of scale, and limited competition are more likely to gain competitive advantages that allow them to outperform rivals.

The second implication of the (I/O) model connects this competitive positioning to the company's performance. It claims that once a company has entered a strategically attractive industry, it must then mobilize and align its internal resources and capabilities to efficiently implement its strategy. Whereas industry selection determines the potential for competitive

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<sup>1</sup> Meilak(C) and Sammut-Bonnici(T): «*Industrial Organization*», Wiley Encyclopedia of Management, Vol 12, 2015, PP.1-2.

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advantage, performance results depend on the firm's capability to transform this advantage into measurable results such as profitability, market share, and efficiency. In essence, the (I/O) model indicates that competitiveness provides the opportunity, but performance reflects the realization of that opportunity.<sup>1</sup>

### 1.2 Resource-Based View RBV:

The resource-based view RBV framework provides an internal lens through which to understand the relationship between competitiveness and performance. This theoretical approach argues that a company's capability to achieve and to sustain a competitive advantage depends not on the external environment, but on the ownership and strategic deployment of unique internal resources and capabilities.<sup>2</sup>

According to the RBV model, resources that are valuable, rare, inimitable, and non-substitutable (VRIN) serve as the foundation of a company's competitive positioning. Within this model, competitiveness appears when a firm effectively leverages its internal strengths to provide superior customer value, continuously innovates, or operates more effectively than its rivals. Performance, on the other hand, is the measurable outcome of how these competitive advantages translate into market outcomes, including profitability, growth, and productivity. Thereby, in the RBV model, competitiveness is built from within, and performance reflects the degree to which these internal strengths are mobilized to generate sustainable results.<sup>3</sup>

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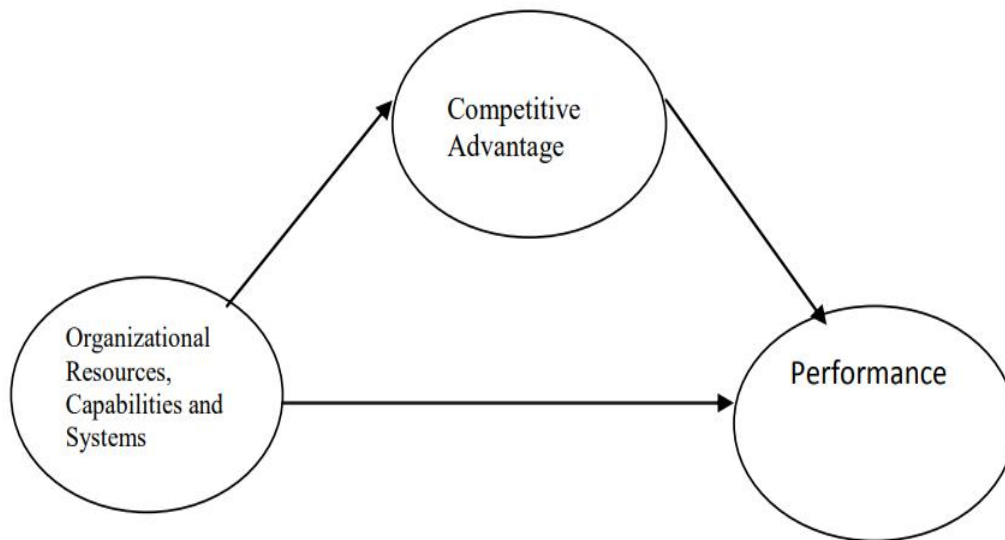
<sup>1</sup><http://> Industrial Organization (I/O) Model Accessed on Avril 30,2025 at 9:39 PM.

<sup>2</sup> MAJEED (S): « *The Impact of Competitive Advantage on Organizational Performance* », European Journal of Business and Management, Vol 3, N° 4, 2011, PP.191-196.

<sup>3</sup> CHIGARA(H): « *Resource Based View and competitiveness: An empirical study of the Algerian SME* », International journal of economic performance, Vol 4, N°1 ,2021, PP.432-443.

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**Figure N°2.10:** RBV model of competitive advantage



**Source:** MAJEED (S): « *The Impact of Competitive Advantage on Organizational Performance* », European Journal of Business and Management, Vol 3, N° 4, 2011, PP.191-196.

### 1.3 The role of a firm's characteristics and industry in linking performance and competitiveness:

The competitiveness-performance relationship is shaped by a variety of factors that moderate the strength and direction of this link. Organizational characteristics as firm size, have been shown to significantly influence how competitive advantage is developed and converted into tangible performance outcomes. As Ismail, Rose, Haslinda and Jegak observe in their research, large and more established firms mostly possess more widespread resource bases and benefit from well-structured internal processes, allowing them to leverage their capabilities more effectively than smaller firms. In addition, gained experience, institutional knowledge, and long-standing relationships with stakeholders further boost their capabilities to extract value from competitive advantages and maintain superior performance over time.<sup>1</sup>

In addition, industry specific dynamics significantly shape the intensity of the relationship between competitiveness and performance. In highly innovative sectors, companies that own distinctive internal capabilities are more likely to convert their competitive advantage into superior performance outcomes. This is principally due to the fast-paced nature of these industries, where technological change, knowledge intensity, and R&D investment enhance

<sup>1</sup> CHE ROSE(R), ABDULLAH(H), ISMADI(I) and ULI(J): «*The relationship between organizational competitive advantage and performance moderated by the age and size of firms*», Asian Academy of Management Journal, Vol 15, No°2, 2010, PP.157-173.

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the strategic value of internal resources. As highlighted by Thomas C. Powell in his study, such environments optimize the efficiency of firm level competencies in driving sustained performance. By contrast, companies operating in less innovation-driven industries may find that even strong competitive positioning does not immediately convert into measurable performance incomes.<sup>1</sup>

In conclusion, firm characteristics and industry context critically moderate the relationship between competitiveness and performance, highlighting the need for context specific strategic approaches.

### 1.4 Mutual reinforcement between performance and competitiveness:

While competitiveness often leads to superior performance, the reverse relationship is equally significant, whereby strong performance can actively reinforce and sustain a firm's competitive position. High performing firms are commonly better positioned to attract strategic resources, preserve skilled human capital, and invest in continuous innovation all of which collectively enhance their long-term competitiveness.<sup>2</sup>

In essence, the interdependence between competitiveness and performance constitutes a dynamic reciprocity rather than a simple linear relationship. Competitive advantage enables firms to achieve superior performance, while performance, in turn, acts as a mechanism through which competitive advantage is reinforced and sustained. This reciprocal dynamic emphasizes the importance of aligning performance management systems with long-term competitiveness positioning. Companies that succeed in generating such alignment are more likely to build resilience, maintain relevance, and secure permanent superiority in increasingly competitive and volatile markets.

To complete the conceptual analysis of the relationship between performance and competitiveness, it is beneficial to mention an integrated analytical framework developed in a report by PricewaterhouseCoopers PWC. This competitiveness-performance analysis model links a company's immaterial capitals such as human capital, innovation, organization, clients, and financing to measurable competitiveness components. The model emphasizes

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<sup>1</sup> POWELL(T): «*varieties of competitive parity*», strategic management journal, Vol 24, 2003, PP. 61–86.

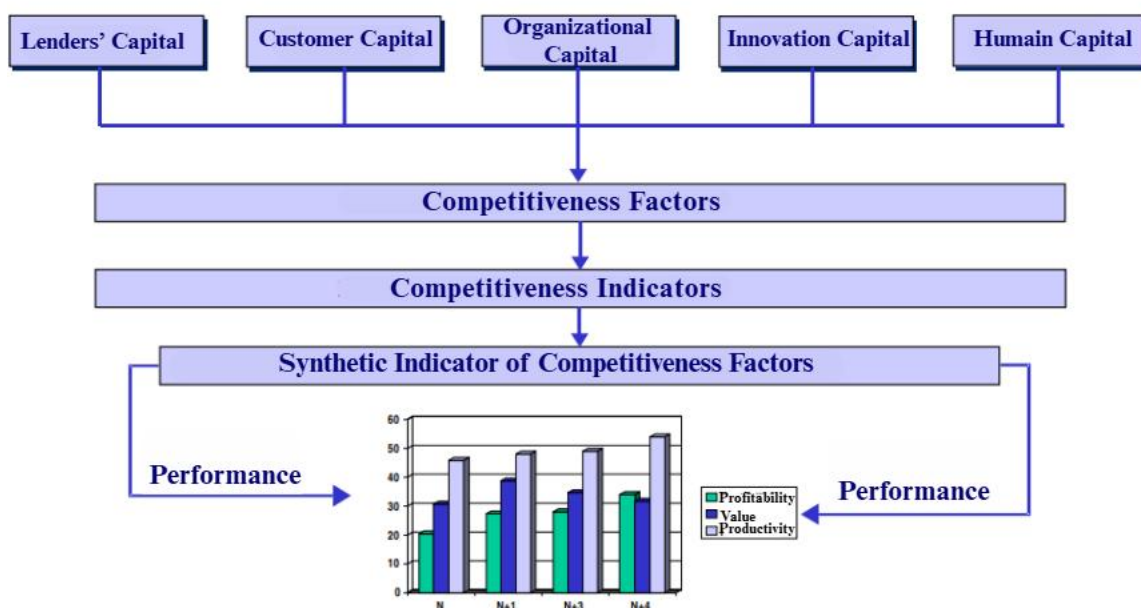
<sup>2</sup> MAJEED (S): «*The Impact of Competitive Advantage on Organizational Performance*», European Journal of Business and Management, Vol 3, N°4, 2011, PP.191-196.

## Chapter 02: Foundations and Interrelations of Competitiveness and Performance

how these intangible resources contribute to value creation, which in turn can be monitored through financial and nonfinancial indicators.<sup>1</sup>

The framework furthermore indicates how this created value is distributed among stakeholders, highlighting the need for strategic alignment between competitiveness inputs and performance outcomes as illustrated in the subsequent figure:

**Figure N°2.11: Relationship between organizational resources, performance and competitiveness**



**Source :** PricewaterhouseCoopers, *Les facteurs et indicateurs de la compétitivité des entreprises de services rendus à l'industrie*, 2003.

### Conclusion of the Chapter:

In summary, this chapter has demonstrated that competitiveness and performance are deeply intertwined, each influencing and reinforcing the other. Competitiveness, shaped by internal and external factors, serves as a strategic driver enabling firms to differentiate themselves and sustain profitability in competitive markets. At the same time, achieving high levels of performance reflects the effective mobilization of resources, capabilities, and strategies that contribute to strengthening competitive positioning.

<sup>1</sup> PricewaterhouseCoopers, *Les facteurs et indicateurs de la compétitivité des entreprises de services rendus à l'industrie*, 2003.

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By analyzing various theoretical models and frameworks, we underscored the importance of adopting a holistic approach that integrates competitiveness factors with performance indicators. Ultimately, understanding the complex relationship between these two concepts equips businesses with valuable insights for formulating strategies that foster resilience, innovation, and sustainable success in an ever-changing economic landscape.

After having explored the theoretical foundations and the interconnected nature of performance and competitiveness, the next chapter will explore how these concepts demonstrate in practice. Through the lens of strategic export management, we will assess their concrete influence on the performance and competitiveness of multinational companies.

**Chapter 03:**  
**The Influence of Strategic  
Export Management on the  
Competitiveness and  
Performance within Lafarge  
Holcim Algeria**

## **Chapter 03: The Influence of Strategic Export Management on the Competitiveness and Performance within Lafarge Holcim Algeria**

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### **Introduction to the Chapter:**

In today's increasingly globalized and competitive business outlook, the capability of multinational companies to maintain high performance and an effective competitive edge depends strongly on their international strategies. This chapter aims to empirically examine the interconnection between strategic export management, competitiveness, and performance through an in-depth study of the renowned multinational company Lafarge Holcim Algeria.

The chapter is structured in three sections:

- Section 01: presents a detailed overview of Lafarge Holcim Algeria and introduces the export department, highlighting its strategic role in the company.
- Section 02: presents the methodological of the research and provides a detailed analysis of the data collected through the study.
- Section 03: offers a general synthesis of the study's principal finding and formulates practical recommendations.

### **Section 01: Presentation of the company Lafarge Holcim Algeria**

In this section, we present Lafarge Holcim Algeria, a real player in the national economy and a major contributor to Algeria's export sector. It is recognized as a world leader in the construction material industry, which is the result of decades of accumulated experiences, tactical investments, and sustained operational growth.

#### **1 Lafarge Holcim worldwide:**

Lafarge Holcim is Franco-Swiss multinational company and it is the global leader in its field, that of construction materials, and traces its origins back to a modest cement plant established in 1833 in Viviers, Southern France, by Joseph-Auguste Pavin. The firm plays a vital role in supporting urbanization and infrastructure development across the globe by operating in more than 70 countries. As a part of the Holcim group, following a strategic alliance between the two companies, Lafarge Holcim actively contributes to delivering innovative and sustainable construction solutions, seeking to meet the growing global demand for eco-friendly and more efficient building.

##### **1. Lafarge Holcim in Algeria:**

## **Chapter 03: The Influence of Strategic Export Management on the Competitiveness and Performance within Lafarge Holcim Algeria**

Established in Algeria over two decades, Lafarge Algeria operates as a key player in the construction materials industry, contributing utterly to the modernization of the sector and the country's economic development by operating three cement plants situated in Msila, Oggaz, and Biskra. The firm boasts an annual production capacity exceeding 8 million tons and employs more than 14,000 persons around the country.

The firm's strategic vision aligns with long-term sustainable development, boosting technological development, environmental responsibility, and stakeholders' engagement. Its prior objective is to serve as Algeria's preferred construction partner, leveraging its technical expertise and commitment to green building practices, particularly through the reduction of CO2 emissions, to address the evolving needs of Algerian society.

### **2 Historical overview of Lafarge Holcim Algeria:**

Lafarge Holcim has maintained a significant operational presence in Algeria. Below is an overview of the key milestones that have shaped its historical progress in the country:

**Table N°3.1: Historical overview of Lafarge Holcim Algeria**

| <b>Year</b> | <b>Achievements</b>  |
|-------------|--|
| <b>2002</b> | COLPA partnership between Lafarge and Cosider establishment of a plaster plant in Bouira.  |
| <b>2003</b> | Launch of the Msila plant ( first grey cement production line).  |
| <b>2005</b> | Launch of the Msila plant ( second grey cement production line).   |
| <b>2007</b> | <ul style="list-style-type: none"> <li>- Acquisition of Orascom cement operations, including Msila and Oggaz plant.</li> <li>-Construction of the second plant in Oggaz, featuring the first white cement production line.</li> <li>- Launch of concrete and aggregates activity.</li> </ul>   |
| <b>2008</b> | <ul style="list-style-type: none"> <li>-Lafarge and Gica partnership for the SCMI Meftah plant.</li> <li>-Launch of the new cement production line in Oggaz.</li> </ul>  |
| <b>2010</b> | -Launch of a new expanded range of products: <i>Chamil, Matine, Mokaouem, Malaki.</i>  |
| <b>2013</b> | <ul style="list-style-type: none"> <li>-Launch of BATISTORE: Lafarge Algeria's first construction materials retail brand.</li> <li>-The inauguration of Africa's first Construction Development Laboratory (CDL) in Rouiba.</li> <li>-Commissioning of the 5<sup>th</sup> cement grinder at Msila plant to increase its overall</li> </ul> |

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|             |  |
|-------------|--|
|             | production capacity.   |
| <b>2014</b> | CILAS partnership: initiation of the construction of a new cement plant in Biskra, in collaboration with the Souakri group.  |
| <b>2015</b> | -Launch of SARIE; high-performance cement.<br>-Lafarge and Holcim group merged to create Lafarge Holcim, the new leader in the construction materials sector.  |
| <b>2016</b> | -The beginning of CILAS Biskra operations.<br>-The startup of cement and mortar activities at CMA Meftah.<br>-Launch of the aggregate quarry at Kef Azrou.<br>-Start of the 3 <sup>rd</sup> plaster kiln at COLPA.<br>-Opening of 6 new Batistore locations. |
| <b>2017</b> | -Launch of MUKAMIL for all masonry and finishing works.<br>-Introduction of a new range of Mortars (white cement adhesive, multi-purpose mortar, single-coat plaster).<br>- Launch of the road solution Ardia 600 road binder.                               |
| <b>2018</b> | -Launch of Geocycle: waste recycling in cement plants.   |
| <b>2020</b> | -Inauguration of the first logistics platform dedicated to export at the port of Djendjen.   |
| <b>2022</b> | -The launch of the first eco-friendly product, the CHAMIL™ ECO plant green cement.   |
| <b>2024</b> | -Launch of MALAKI™ ECO Planet, a low-carbon white cement.  |

**Source:** Official web site of the company

Today, Lafarge Holcim Algeria stands as a vital player in the construction materials industry, committed to sustainable development and innovation. The firm is concentrating on decarbonizing its operations by incorporating renewable energy sources in both its industrial processes and transportation system. This commitment to sustainability is further reflected in its strategic investments, including a planned 30\$ million to enhance production capacity between 2024 and 2025. In addition, Lafarge Holcim Algeria keeps prioritizing innovative construction solutions, ensuring that its products not only meet international standards but also adapt to the evolving market need. Amongst these initiatives Lafarge Holcim Algeria is positioning itself as a pioneering leader in the construction system, driving progress and sustainability.

### **3 Strategies, missions, and values:**

#### **3.1 Missions :**

Lafarge Holcim Algeria outlines a set of core missions:

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- The contribution to the development of modern cities through innovative construction solutions that make urban environments more sustainable, aesthetically appealing, and better connected.
- The company places innovation at the core of its mission, particularly in the service of sustainable construction and architectural creativity, this is reflected in the establishment of the first research center dedicated to building materials in Algeria (CDL Rouiba).
- Lafarge Holcim Algeria actively engages its employees in the development of civic initiatives that support local communities.
- The firm is committed to transforming construction practices by promoting more tremendous respect for people, their diversity and their environment.

### **3.2 Strategies :**

Lafarge Holcim Algeria's strategy focuses on operational excellence throughout the entire value chain, this approach is broken down into several points:

- Strict health and safety policy: priority is given to the safety of employees and stakeholders throughout production and distribution.
- Producing and offering a range of high quality products: Lafarge Holcim Algeria offers products among the best in their category in the Algerian market.
- Sustainable industrial modernization: Lafarge Holcim Algeria is executing capital investments to decarbonize cement production notably through its 12 million CHF project replacing electrostatic precipitators with advanced bag filters to eliminate stack emissions.
- Positing Algeria as a regional cement export hub: Lafarge Holcim Algeria aim to transfer Algeria into a key exporter of cement and clinker across Africa and Mediterranean, targeting 3 million tons annually and to overcome logistical constraints, the firm has invested in critical port infrastructure including specialized ship loaders at DjenDjen.

### **3.3 Values :**

At the core of Lafarge Holcim Algeria's identity lies a set of values that direct its actions, shape its culture, and reflect its commitment to responsible and sustainable growth:

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- Health and safety: Ensuring a safe and healthy environment for the employees, contractors, and all stakeholders remains the company's foremost commitment. Lafarge Holcim Algeria places safety at the center of its operational excellence.
- Human capital at the heart of the group: Lafarge Holcim Algeria values its employees as its greatest asset. It promotes talent development, diversity and inclusion, personal fulfillment, and constructive social dialogue to foster a respectful and empowering workplace.
- Performance: The company strives to be a benchmark of operational excellence, mastering every aspect of its activities. This includes increasing production capacity, reinforcing a performance-driven culture, and staying ahead of competitors.
- Innovation: Lafarge is committed to continuous innovation, both globally and locally (through its development center at Rouiba). Its focuses on developing new products, systems, services, and sustainable solutions, supported by ongoing investments in all sectors: cement, concrete, aggregate, and plaster.

### 4 Products of the company:

Lafarge Algeria Holcim provides a wide range of products:

#### 4.1 Cements :

Lafarge Holcim Algeria operates an integrated industrial network covering three strategically located cement plants with a combined annual production capacity of 11.5 MT/year (metric tons per year). Their cement products include:

**Table N°3.2: Lafarge Holcim Algeria's cement products**

| Type | Product Name | Characteristics | Applications |
|------|--------------|-----------------|--------------|
|------|--------------|-----------------|--------------|

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|                     |           |  |   |
|---------------------|-----------|--|---|
| <b>Grey cement</b>  | MATINE    | A high-performance cement that is contemplated for construction projects requiring exceptional strength and durability. It is distinguished by its rapid setting time, low water demand, and compatibility with all ranges of admixtures | Suitable for the construction of civil engineering structures, infrastructure, and superstructures in buildings |
|                     | MOUKAOUEM | A sulfate-resistant cement developed for construction in chemically aggressive environments, specifically in humid conditions.   | Suitable for marine works, hydraulic structures, and chemically aggressive or humid environments.               |
|                     | SARIE     | Rapid-setting cement offering high early stage strength, exceptional performance, and compatibility with broad range of admixtures   | Adequate for heavy and light prefabrication, and cold weather constructions works such as bridges and tunnels   |
|                     | CHAMIL    | A high-quality general-purpose cement suitable for a wide range of construction uses.  | Adapted for a wide variety of conventional building applications  |
| <b>White cement</b> | MALAKI    | a white cement designed specifically for the production of colored concrete and paving tiles. Its composition makes it ideal for aesthetic architectural applications where colors are essential   | Suitable for aesthetic and colored architectural structures, also for the manufacturing of paving tiles         |

**Source:** Official web site of the company

These different products are marketed in three different conditioning types:

- **Bulk:** unpackaged raw cement transported using specialized trucks known as ‘cocottes’.
- **Bagged:** cement packaged in standard bags, suitable for general distribution and on-site use.
- **Big Bag:** large-capacity bags, primarily used for the export of white cement and large construction projects requiring significant quantities

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### 4.2 Mortars :

The mortar product range includes:

- AIRIUM: A cutting-edge mineral foam insulation technology that offers excellent thermal performance. It is suitable for a variety of uses, including floor insulation, wall and concrete block filling, and attic insulation.
- Adhesive Mortar: Specifically designed for horizontal and vertical tile adhesion, particularly for tiles with medium porosity.

### 4.3 Plasters :

Lafarge Holcim Algeria in a joint venture with Cosider produces:

- Manual construction plaster.
- Plasterboard for interior design.
- Plaster for insulation
- Plasterboard for exterior use.
- Structures, accessories, and finishing products for plasterboard installation.

### 4.4 Aggregates:

Lafarge Holcim Algeria offers an extensive range of high-quality aggregates essential to the construction sector. These materials play a pivotal role in the production of concrete, masonry, and asphalt. Additionally, it serves as a critical base component for road construction, landfills, and building construction. The product range :

- Sand for construction works.
- Aggregates for road construction (GNT, ballast).
- Aggregates for concrete (sand, crushed stone, gravel).

## 5 Organizational structure of Lafarge Holcim Algeria:

Lafarge Holcim Algeria is structured into multiple semi-autonomous entities, each executing specific roles within the group:

- **Lafarge Cement M'sila (LCM):** E in 2003, LCM is the group's first grey cement production plant, located in M'sila, the factory contains two production lines with a total annual capacity of nearly 5.2 million tons.

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- **Lafarge Cement Oggaz (LCO):** Located in Oggaz (Mascara), this cement plant differentiates itself as the only facility in Algeria producing both grey and white cement. Its production capacity is approximately 3.8 million tons per year.
- **Lafarge and Souakri Cement Plant (CILAS):** represents the third cement plant established by Lafarge Holcim Algeria through a joint venture with the Souakri group and it's based in Biskra. CILAS has an annual production capacity of 2.9 million tons.
- **Lafarge Logistics Algeria (LLA):** LLA manages all logistical and transportation operations, comprising the delivery of finished products to clients, and the coordination of inter-entity transport with the Lafarge Holcim network.
- **Lafarge Sac (LS):** located in Bordj Bou-Argeridj, this subsidiary specializes in the manufacturing of cement packaging bags.
- **Cosider Lafarge Plaster Algeria (COLPA):** COLPA is a joint venture between Lafarge and Cosider created in 2007 (Lafarge 43%, Cosider 57%), it is dedicated to the production of plaster. Its production plant is situated in Bouira with an annual production capacity of 450,000 tons.
- **Cements and Mortars of Algeria(CMA):** CMA focuses on the production of specialized mortars and cements in Meftah, operated in partnership with the Souakri group with an annual production capacity of 100 000 tons.
- **Construction Development Center (CDL):** represents the first research and development center dedicated to the construction center in Africa. Situated in Rouiba and its main mission is to promote innovation across all areas of building materials and techniques.
- **Lafarge Services Algeria LSA:** LSA operates as the core management entity within the Lafarge Holcim Algeria group. It constitutes the executive leadership and all essential support functions.

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### 6 Organizational chart of Lafarge Holcim Algeria:

**Figure N°3.1: Organizational chart of Lafarge Holcim Algeria**



**Source:** Internal document from RH departement

### 7 Presentation of the host department:

Lafarge Holcim Algeria's export department assists as a pivotal engine for the firm's internationalization and diversification beyond the domestic market. Its strategy is to position the company as a regional export hub for construction materials, contributing considerably to the country's non hydrocarbon export ambitions.

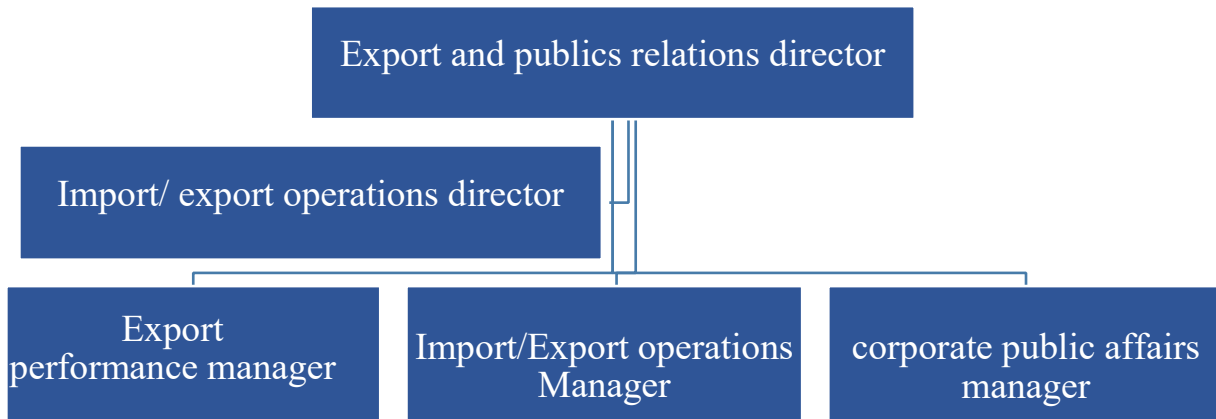
The department's core missions are:

- Develop and implement export strategies: define and execute export plans with the firm's global strategy.

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- Coordination with internal departments: work closely with different departments to secure smooth export processes and product availability.
- Client relationship management: build and reinforce long-term relationships with international clients to guarantee satisfaction and loyalty.

**Figure N°3.2: Export department organizational chart**



**Source:** compiled by us

### 8 Overview of the export activity at Lafarge Holcim Algeria:

Export operations have become a keystone scope of Lafarge Holcim Algeria's industrial footprint, harmonizing its domestic activities and boosting its position as a principal player in the country's construction materials sector. Following the lifting of restrictions on cement exports in 2017, the company in the same year officially initiated its export journey with a shipment of 15,000 tons of gray cement to The Gambia. Since that milestone, Lafarge Holcim Algeria has remarkably expanded its export activity by supplying both grey, white cement and clinker to a varied portfolio of international clients such as construction companies, public works contractors, and ready-mix concrete producers.

This strategic pivot towards exports isn't simply opportunistic but its structural imperative underlined by Algerian's domestic market dynamics. As illustrated in the subsequent figure, there is a growing gap between national demand and the country's overall cement production capacity. This emphasizes a constitutional necessity for the industry in general, and for Lafarge Holcim in particular to export. The firm's export activity plays a crucial role in

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guaranteeing the optimum utilization of available production capacity, supporting industrial continuity, and contributing to Algeria's non-hydrocarbon trade performance.

**Figure N°3.3: Cement supply and demand evolution in Algeria (2015-2030)**

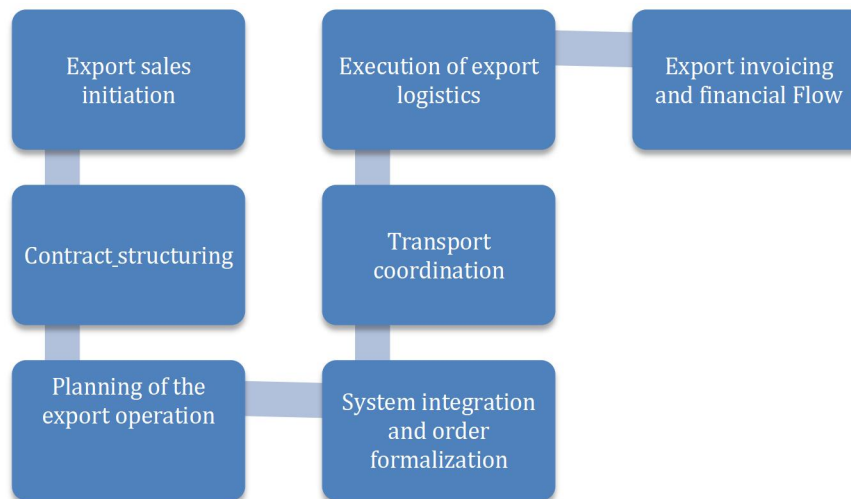


**Source :** internal document from export departement

### 9 The export process at Lafarge Holcim Algeria:

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**Figure N°3.4: Export process of Lafarge Holcim Algeria**



**Source:** compiled by us through internal documents

The export process at Lafarge Holcim Algeria is rigorously structured, multi-phased system aimed at guaranteeing operational effectiveness, and regulatory compliance.

### 9.1 Export sales initiation:

All maritime export transactions are centrally initiated and formalized through Holcim Trading (HT). The group's specialized international trading company. Finding export prospects, negotiating contract conditions, checking customer credit, and controlling related risks are all critical tasks for HT. It serves as the vital link between the demand of the global market and Lafarge Holcim Algeria's production capability.

### 9.2 Contract structuring:

Lafarge Holcim Algeria operates under two main types of export contracts that cater both long-term stability and market responsiveness:

- Annual contracts: these long-term agreements define forecasted volumes and pricing and delivery schedules for complete fiscal year, offering predictability for both the firm and its clients
- SPOT contracts: these are short-term, opportunity-driven agreements designed to respond to market opportunities or urgent demand. They go through

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accelerated internal approval processes to capitalize on emerging commercial prospects without undermine operational control.

### **9.3 Planning of the export operation:**

Following contract validation, the sales and operations planning (S&OP) department starts the transformation of contractual commitments into actionable dynamic export plans. This planning is divided into strategic, tactical, and operational phases. Feasibility is evaluated through the appraisal of multiple critical factors such as:

- Stock levels
- Lead times
- Plant capacity
- Transport availability

This structured planning frame guarantees the flexibility to accommodate last-minute modifications and it facilitates synchronization between production cycles and logistics requirements to ensure timely and cost-effective deliveries.

### **9.4 System integration and order formalization:**

Once an export order is validated, it is entered into Lafarge Holcim Algeria's Enterprise Resource Planning (ERP) system. Afterward, the supply planner and customer relations center validate and finalize the order details, securing uniformity between strategic planning and system execution. This integration serves as a control mechanism that links internal coordination with client's expectations.

### **9.5 Transport coordination:**

The logistics department then steps in to orchestrate the physical movement of products. It manages the scheduling and the dispatch of trucks, and the execution of shipment, guaranteeing alignment with both monthly and daily production export calendars. This tight coordination ensures that logistics operations are coordinated with the overall export strategy.

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### **9.6 Execution of export logistics:**

The export department releases a detailed factory-to-port transfer plan to the S&OP team. The S&OP team reviews this feasibility plan and recommends adjustments if necessary. Once validated, the Logistics department ensures that products are delivered to the port in no time, taking on consideration potential risks such as weather conditions or resource constraints.

### **9.7 Export invoicing and financial Flow:**

Upon shipment confirmation, provisional invoices are generated to facilitate customs clearance via bank domiciliation. Final invoices are issued after loading and submitted for revised domiciliation. In addition, payment repatriation is made through international transfers (SWIFT) and certified by export repatriation certificates issued by the bank. This guarantees traceability and efficient cash flow management.

## **Section 02: Analysis of the influence of the strategic export management on the competitiveness and performance within Lafarge Holcim Algeria**

This section presents the finding of the qualitative study conducted as part of our research, based on interviews with key managers within the company. The goal is to understand their roles regarding the strategic management of exports and its impact on competitiveness and performance.

### **1 Presentation of the qualitative research methodology:**

Qualitative studies are embodied in depth approach, depending on open and flexible methods of data collection. These techniques are non-directive and permissive which lead to encourage participants to articulate freely, therefore enabling a meticulous and comprehensive understanding of the study under analysis.

#### **1.1 Definition of qualitative research:**

Qualitative research is an exploratory technique aimed at obtaining deep insights into complex real world phenomena. Unlike quantitative approaches, which prioritize numerical and statistical measurement, qualitative research underlines the generation of hypotheses

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through an examination of participants' experiences, perceptions, and actions. In addition, qualitative studies may be operated autonomously, using narrative and observational data, or be a part of a mixed methods approach that combines both qualitative and quantitative data for a more complete analysis<sup>1</sup>.

### 1.2 Qualitative research methods :

The most commonly used methods are<sup>2</sup>:

#### 1.2.1 Observations :

Observation consists of systematically watching and recording behaviors, interactions, events as they appear in their natural settings. This technique allows the researcher to analyze direct insights into participants' actions and the context in which they function. It's commonly used for studying organizational dynamics or social interactions with their real-time contexts.

#### 1.2.2 Interviews :

Interviews are one of the most broadly used qualitative methods and lead to in-depth exploration of individual experiences and opinions. Depending on the level of structure, interviews can be categorized into three main classes:

- Structured interviews: are highly directive, with a predetermined set of questions asked in settled order. In structured interviews, interviewers maintain rigid control over the conversation, which restricts flexibility however it ensures resemblance across participants.
- Semi-structured interviews: semi-structured interviews balance between structure and flexibility. It outlines key themes or questions, however the interviewer can adapt the order and explore topics in depth.
- Unstructured interviews: unstructured interviews are the most flexible type of interview where the interviewer interferes as little as possible, authoring the participant to freely lead the conversation. This technique is specifically useful for subjective insights or exploratory phases of research where the main themes are still emerging.

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<sup>1</sup>[http:// Qualitative Study - StatPearls - NCBI Bookshelf](http://Qualitative Study - StatPearls - NCBI Bookshelf) Accessed on May 14 ,2025 at 11:14 AM

<sup>2</sup> <http://Types of Interviews in Research | Guide & Examples> Accessed on May 14 ,2025 at 06:54 PM

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To successfully conduct an interview, it is crucial to develop an interview guide, as it helps to maintain the coherence, relevance, and integrity of the data collected. A well-structured guide minimizes the risk of neglecting essential information that could undermine the validity of the findings. Generally, the guide is structured into the subsequent phases :

- Opening phase: a general introduction to the topic of the study, presented in an objective manner to avoid impacting the interviewee's responses.
- Focusing phase: exploration of each sub-theme to secure comprehensive exposure of the study.
- In-depth phase: A deeper inquiry into the critical areas of the research to evoke rich and detailed answers.
- Conception phase: concluding the interview with expressions of thankfulness and, if necessary, a brief summary of the essential points discussed.

### **1.2.3 Focus group :**

Focus groups consist of directed discussions with a small group of participants, generally assisted by moderators. This technique leverages group dynamics to gather a wide range of views, reflections, and interactions. Nevertheless, the limited size results in low external validity and may create a risk of research bias.

### **1.3 Methodological approach :**

In line with the objectives of this research, a qualitative approach was selected in order to delve into the influence of strategic export management on the competitiveness and performance of multinational companies. This methodological selection is clarified by the exploratory nature of the study and the imperative to obtain in-depth insights into participant's roles and experiences.

With that result in sight, semi-structured interviews were organized, as they provide balance between guided questioning and flexibility. This structure enables us to deeply understand the intricate dynamics by encouraging respondents to elaborate on their roles and experiences while maintaining a specific thematic coherence beyond interviews. Our interview guide was designed around 4 key axes :

- Axis 01: this axis focused on understanding the strategic framework managing Lafarge Holcim Algeria's export activities.

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- Axis 02: concentrates more specifically on the role that logistics plays on the strategic framework of company's export activities.
- Axis 03: delves into how Sales and Operations S&OP planning impacts the overall system of the firm's export operations.
- Axis 04: this axis examined the integrated function of the finance department within the export value chain.

To guarantee the validity and richness of the data collected, participants were selected based on their departmental roles, direct involvement in export operations, and their capability to offer comprehensive perceptions across the axes of our study. The subsequent table outlines the profiles of the selected participants:

**Table N°3.3: Profile of interview participants**

| <b>Interviewee profile</b>     | <b>Organisationnel role</b>   | <b>Date and Location of interview</b>                  | <b>Duration of the interview</b> |
|--------------------------------|---|--|----------------------------------|
| <b>Salim Mustapha Mokdad</b>   | <b>Import / Export Operations Manager:</b><br>Oversees the daily execution of international operations, including of inbound and outbound shipments, compliance with regulatory requirements, and the optimization of cross border logistics processes. | May 8, 2025<br>Company headquarters<br>(Meeting room ) | <b>1 H</b>                       |
| <b>Amir Touati</b>             | <b>Director of operational logistics:</b><br>Manages the execution of logistics strategies, including transportation, warehousing, to support supply chain efficiency   | May 11, 2025<br>Company headquarters (meeting room )   | <b>50 min</b>                    |
| <b>Abdelhak Fethi Mohammed</b> | <b>Director of Sales and Operations Planning:</b><br>lead the integration of demand forecasting, inventory management, and production planning to align business  | May 11, 2025<br>Company headquarters (private office ) | <b>40 min</b>                    |

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|                                  |   |  |               |
|----------------------------------|---|--|---------------|
|                                  | objectives with operational capacity  |  |               |
| <b>Abdel Halim Belkacem BALI</b> | <b>Risk Management &amp; Internal Control Director:</b><br>Responsible for identifying, and mitigating internal and external risks, while ensuring compliance with corporate governance and control frameworks. | May 11, 2025<br>Company headquarters (private office ) | <b>30 min</b> |

Source : compiled by us

### 1.4 Analysis of interviewee responses :

Following the presentation of the methodological approach, it's essential to present and analyze the qualitative data collected in order to address the research objectives.

#### 1.4.1 Axis 01: Strategic structuring and contribution of exports operations

This axis focuses on understanding how Lafarge Holcim Algeria defines its export strategy, the level of coordination required in its implementation, and how this strategy contributes to the company's profitability and competitiveness.

#### **Question N° 1: How is the export strategy at Lafarge Holcim Algeria defined, and who is involved in its formulation?**

*Answer N°01: The export process begins with a contract established by Holcim Trading (HT), which is based on an annual budget and specifies the price and quantity to be exported. Close coordination between the S&OP, logistics, finance and export teams is crucial for managing both annual and spot contracts.*

**Analysis N°01:** Beyond traditional approaches, the development and implementation of Lafarge Holcim Algeria's export plan demonstrate a highly integrated, multi-departmental governance model. This model guarantees that strategy choices, including pricing, export volumes, and market targeting, are based on actual operational capabilities and financial sustainability. While local coordination between S&OP, logistics, finance, and export teams enables flexibility and responsiveness to both anticipated and unanticipated market developments, Holcim Trading's global involvement brings a wider perspective in line with

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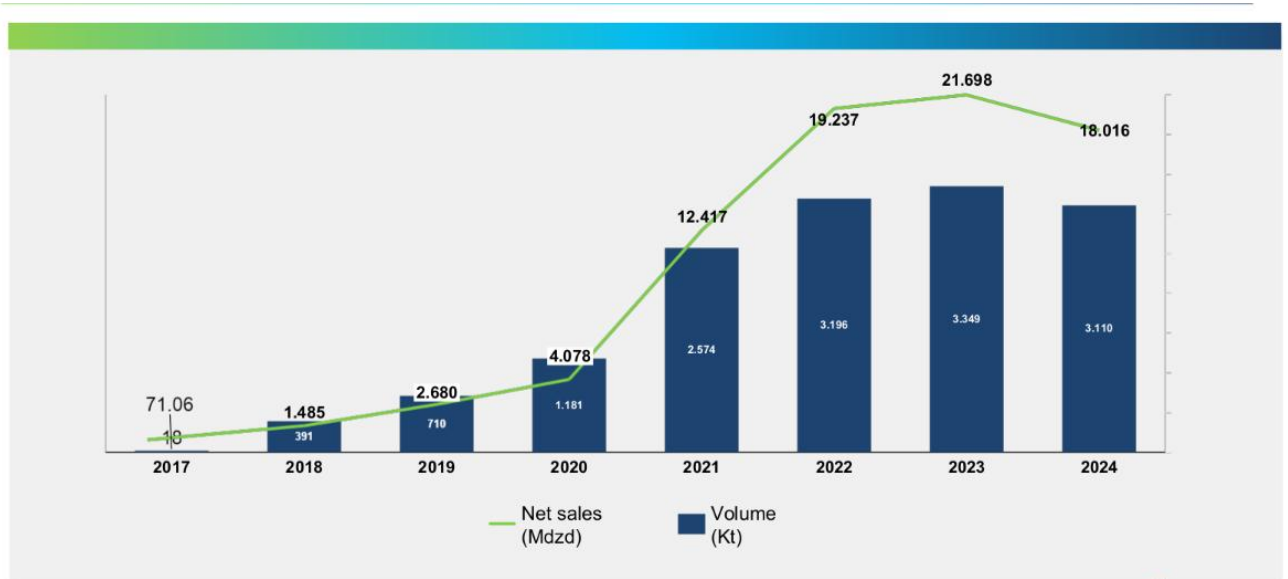
international market dynamics. In addition to supporting effective contract fulfillment, this type of structure improves supply chain agility and risk mitigation.

Essentially, Lafarge Holcim Algeria's export strategy is the outcome of a cooperative process that demonstrates both operational accuracy and strategic vision, so strengthening the business's capacity to maintain and expand its footprint in global marketplaces.

### **Question N°3: How has export activity evolved in recent years?**

**Answer N°03:** *our export activity started in 2017, since then we have recorded continuous growth in our exports each year, as illustrated in the graph. The only exception was last year, during which we experienced a decline due to logistics constants.*

**Figure N°3.5: Lafarge Holcim Algeria export growth (2017-2024)**



**Source:** internal document from export department

**Analysis N°03:** Since its commencement in 2017, Lafarge Holcim Algeria's export activity has illustrated a generally positive growth path which reveals a clear strategic orientation toward international markets penetration and competitiveness enhancement.

To appraise the annual performance of Lafarge Holcim Algeria's export activity, we use the Year-over-Year growth rate, an indicator that compares a specific metric from one year to the same metric in the previous year, its formula is as follows:

$$\text{YoY growth rate} = \frac{\text{Sales}(t) - \text{Sales}(t-1)}{\text{Sales}(t-1)} \times 100\%$$

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Based on this formula, the following table shows the calculated Year-over-Year (YoY) growth rates in export net sales for Lafarge Holcim Algeria:

**Table N°3.4: The YoY growth rates in export net sales for Lafarge Holcim Algeria**

| <b>Year</b>            | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Net sales(Mdzd)</b> | 1.48        | 2.68        | 04.07       | 12.41       | 19.23       | 21.69       | 18.01       |
| <b>YoY growth (%)</b>  | _           | 81.1%       | 51.9%       | 205.4%      | 54.9%       | 12.8%       | -16.9%      |

**Source:** compiled by us through internal data

The Year-over-Year (YoY) growth in export net sales indicates a widely upward path in Lafarge Holcim Algeria's performance since its inauguration of its first export operation in 2017. The period from 2018 to 2021 was marked by notable double and even triple growth rate, peaking at 205% in 2021, reflecting a significant acceleration in commercial export development and the impacts of strategic and operational efforts.

In 2022, although the firm sustained a positive growth rate (54,9%), we notice that the rate of acceleration starts to moderate, highlighting a transition towards a more mature and stabilized growth phase.

Notably, in 2024 a negative growth rate of -17% was recorded, making the first contraction since the beginning of export activities, aligning with the logistics issues mentioned by the export director and highlighting the sensitivity of performance to supply chain constraints.

### **Question N° 04: Which regions does Lafarge Holcim Algeria export to the most?**

**Answer N°04:** *if I had to summarize our main export destinations, I would say they are primarily countries in north America and Africa.*

**Table N°3.5: Lafarge Holcim Algeria's export volumes per region (T)**

| <b>Region</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
|---------------|-------------|-------------|-------------|
| North America | 1 083 742   | 1 356 139   | 1 399 382   |
| Africa        | 1 217 163   | 1 204 164   | 1 257 042   |
| Europe        | 847 301     | 759 234     | 411 395     |
| South America | 40 108      | 22 228      | 27 061      |

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|         |       |       |        |
|---------|-------|-------|--------|
| Asia    | 8 102 | 7 700 | 15 400 |
| Oceania | 109   | —     | —      |

**Source:** internal document from export department

**Analysis N°04:** Based on the data provided by Lafarge Holcim Algeria’s export department (table n°3.5), this clearly demonstrates that the firm pursues a multi-regional export strategy aimed at diversifying geographic risk while maximizing volume and market share. Therefore, a closer examination of the export volumes during the period 2022-2024 indicates a clear strategic prioritization of markets in North America and Africa, which systematically represent the largest share of outbound cement streams.

In addition, North America emerged as the leading export destination, with volumes rising from approximately 1.08 million tons in 2022 to 1.4 million tons in 2024, reflecting the presence of strong demand drivers, advantageous trade agreements, or effective port-to-port logistics. Similarly, Africa remains a strategic keystone, with consistently stable exports surpassing 1.2 million tons annually, highlighting the firm’s established network and operational adaptability on the continent. On the contrary, the European market, traditionally seen as a paranormal partner due to geographic proximity, has experienced a remarkable decrease of more than 50% from 847 301 tons in 2022 to just 411 395 in 2024.

Regions such as South America or Asia account for only marginal volumes, this suggests that while these markets are not current strategic priorities, Lafarge Holcim Algeria is maintaining an exploratory position in these regions, potentially appraising future opportunities.

In conclusion, the international expansion of Lafarge Holcim Algeria’s products and the sustained growth across regional markets underline the firm’s strong competitiveness in the global cement industry.

### **Question N° 06: Are there specific performance metrics used to measure export success?**

**Answer N°06:** *While we don’t rely on a specific set of quantitative performance metrics, we consider our exports operation successful when we manage to increase the share of cement exports over clinker, which is a semi-finished product.*

**Analysis N°06:** Despite the fact that Lafarge Hoclim Algeria does not apply a fixed set of quantitative performance metrics to measure success, the export director underscored that a pivotal strategic objective is to increase the share of cement exports relative to clinker. This demonstrates the company’s ongoing pursuit of value creation rather than focusing solely on

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export volumes as cement is a finished product with higher profitability and greater market demand than clinker, a semi-finished product.

To better illustrate this orientation, we calculated the cement to clinker export ratio over the period 2022-2024, using the volumes shared by the export department, its formula:

$$\text{cement to clinker export ratio} = \frac{\text{Cement Export volume}}{\text{Clinker export volume}}$$

**Table N°3.6: cement to clinker export ratio over the period 2022-2024**

| Year | Cement (T) | Clinker (T) | Cement-to-clinker ratio |
|------|------------|-------------|-------------------------|
| 2022 | 604 523    | 2 592 002   | 0.23                    |
| 2023 | 1 237 328  | 2 112 136   | 0.59                    |
| 2024 | 1 213 498  | 1896781.8   | 0.64                    |

Source: compiled by us through internal data

A higher cement to clinker ratio demonstrates that Lafarge Holcim Algeria is increasingly exporting cement relative to clinker, indicating a closer alignment with its strategic objective of prioritizing value-added finished products in its export portfolio. Between 2022-2024, this ratio has approximately tripled, rising from 0.23 to 0.64, which emphasizes a remarkable enhancement in export performance under this value-driven approach. In addition, this strategy not only strengthens the firm's commitment to optimizing profitability but also illustrates progressive operational maturity in international markets.

**Question N°7: What are Holcim Algeria's strategic export growth plans?**

*Answer N°7: In addition to strengthening our positions in existing markets, our primary focus over the next years is to reinforce our presence in the United Kingdom.*

**Table N°3.7: Projected cement exports to the UK (tons)**

| Year | Projected cement exports to the UK (tons) |
|------|---|
|------|---|

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|      |         |
|------|---------|
| 2025 | 450,000 |
| 2026 | 600,000 |
| 2027 | 800,000 |

Source : Internal document from export departement

**Analysis N°7:** Lafarge Holcim Algeria's decision to boost its UK operations must be viewed against the backdrop of recent European export operations. According to the recent data, between 2022 and 2024, the company experienced a market contraction in total European shipments declining from 847,301 tons in 2022 to 411,395 tons in 2024.

By contrast, the projected plan in UK exports through an increase from 450,000 tons in 2025 to 800,000 tons in 2027, signals a strategic re-entry into one of Europe's most demanding markets. The United Kingdom, with its rigorous environmental and technical standards, offers premium pricing opportunities for suppliers capable of meeting these criteria. This turn towards the UK complements the firm's multi-regional export approach, which has historically emphasized North American and African Markets to extend geographic risk. Reinforcing presence in the UK secures strategic balance, mitigating excessive dependence on any single market, thereby boosting and sustaining its competitive positioning.

**Question N°08:** What are the main challenges the company faces in the export process (logistics, regulations, competition...)?

**Answer N°08:** *Logistical inefficiencies, especially at the Port of Algiers, are one of the main issues Lafarge Holcim Algeria faces during the export process. Long customs clearance processes and port congestion cause the company to frequently face delays, which have a major impact on the timely delivery of goods. These logistical constraints are further worsened by sluggish regulatory processes and a lack of infrastructure modernization, which collectively hinder export flow and operating efficiency.*

**Analysis N°08:** The answer revealed that one of the most critical challenges hindering Lafarge Holcim Algeria's export success is the inefficiency at Algerians' ports, particularly the port of Algiers. Delays generally caused by congested terminals, limited port handling capacity, and intricate customs procedures create bottlenecks that compromise delivery

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timelines and sabotage supply chain continuity. Outdated regulatory frameworks and bureaucratic slowness compound these problems, making it harder for the business to adapt nimbly to global demand. In competitive marketplaces where punctuality is crucial, such inefficiencies not only increase logistics costs but also damage customer confidence.

### **Question N° 10: How do you evaluate customer satisfaction in international markets?**

**Answer N° 10:** *Until now, we can say that we have zero customer complaints. If we do receive any complaints, they usually turn out to be unfounded and meant to hinder our company. This is because, before exporting, we ensure that all products comply with the client's standards and regulations.*

**Analysis N° 10:** Based on the export director's response, it can be concluded that Holcim Algeria places strategic emphasis on customer satisfaction and product compliance. The company's declaration of 'Zero complaints' is not simply a performance metric, but instead a reflection of a deeply rooted quality assurance approach. This starts with pre-export verification procedures that ensures all product shipments align with the unique standards and certifications of the target market whether that be ASTM (American Society for Testing and Materials) standards for American markets or EN (European Norm) standard for European markets, or any other market-specific requirement.

From a strategic perspective, this anticipatory approach to quality control plays a central role in risk mitigation and brand management. Additionally, it eliminates the downstream costs associated with products returns, legal disruptions, and reputational damage, which are elements that often erode profit margins in international trade. Therefore, the fact that the few complaints received are described as "unfounded" may also indicate that Lafarge Holcim Algeria enjoys a high level of technical credibility in the eyes of global partners, a perception bolstered by transparent quality control mechanisms and long-term consistency in export performance.

### **1.4.2 Axis 02: The role of logistics on export operations**

This axis explores the pivotal role that logistics plays in the structure and performance of export activities, emphasizing its strategic importance with international trade activities.

### **Question N°1: Are there specific logistical challenges when exporting to certain markets?**

**How do you address them?**

**Answer N°1:** *Main Logistical challenges we are facing are*

- *Poor enforcement of transportation legislation*

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- *Limited availability of transport capacity*
- *Low forecast accuracy*
- *Limited storage areas (need to rely on tight flow)*

**Analysis N°1:** The response of the logistics director reflects the complexity and interdependence of logistical variable international trade, by its identification of numerous logistical problems he underlines a wider structural challenge that extends beyond internal operations and into the national and regional transport ecosystem.

The issue of poor enforcement of transportation legislation speaks to an infrastructural and regulatory gap that may directly impact lead times, reliability, and safety. Weak enforcement often leads to increased risk of accidents, overloading, and logistical inconsistencies, all of which erode export efficiency. For a company like Lafarge Holcim Algeria, whose outbound logistics involve high-volume cement and clinker shipments, any systemic weaknesses in national transport governance create serious bottlenecks.

Limited transport capacity that meets the firm's safety standards suggests a misalignment between available logistics service providers and the company's internal compliance and risk mitigation frameworks. Exporting heavy construction materials requires specialized fleet equipment that must meet both technical specifications and corporate safety norms. A shortfall in compliant carriers imposes delays and restricts the ability to scale operations in response to market demand.

Poor forecast accuracy presents an operational risk that affects supply chain agility. In the context of global exports, especially to time-sensitive markets, accurate demand forecasting is critical for production scheduling, port operations, and inventory control. Inaccurate forecasts can lead to either under-utilized assets or logistical overflow, increasing costs and reducing responsiveness to new contracts or cancellations.

The challenge of limited storage area, which forces Lafarge Holcim Algeria to rely on a "tight flow" model, highlights the need for lean logistics and just-in-time (JIT) coordination. While tight flows improve efficiency under stable conditions, they significantly raise vulnerability during disruptions whether from delayed vessels, adverse weather, or port congestion. In such contexts, the absence of buffer stock or flexible storage options can paralyze export operations and magnify demurrage risks.

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Taken together, these logistical constraints reflect the necessity for a more integrated, resilient, and adaptive supply chain strategy.

**Question N°3:** What are the key considerations and priorities when developing and implementing logistics strategies for export markets?

**Answer N°03:** *I can summarize it into this following points:*

- *Road safety compliance*
- *Daily Rates*
- *Volume regularity*
- *Average Size of boats*
- *Cost efficiency*

**Analysis N°03:** Lafarge Holcim Algeria's logistics strategy for export markets is formed by contemplating focus on cost-effectiveness, reliability, and strict compliance to regulatory requirements. Road safety compliance is treated as a non-negotiable element for mitigating risks with inland transportation. In addition, daily rate freight monitoring enables active financial decision-making, guaranteeing that export operations remain cost-effective. The consideration of volume regularity and average size of boats illustrates a strategic focus on operational predictability where maintaining continuous shipment volumes helps the firm to align exports with vessel capacities leading to reduce demurrage fees and port inefficiencies additionally, this allows the company to better schedule loading and unloading. Cooperatively, these factors underscore how logistics serves as a strategic pillar beyond a simple operational necessity.

**Question N°6:** What technologies and systems are utilized to manage and track export shipments and logistics operations? (e.g., TMS, WMS)

**Answer N°6:** *In the recent moments we have only used transporter portal and IVMS (In-Vehicle Monitoring System) to control and track the execution of export logistics. I can say that these digital solutions help us to monitor transport operations and ensure real-time visibility of shipments across the supply chain.*

**Analysis N°6:** The firm's increasing dedication to digitizing its export and logistics processes is demonstrated by its usage of an IVMS and transporter portal. The transporter portal serves as a centralized platform that improves transparency and traceability by allowing logistics

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partners to post real-time delivery data, receive shipping instructions, and coordinate deployments. Real-time vehicle tracking, driver behavior monitoring, and route optimization are made possible by the IVMS, which also helps to increase delivery reliability, lower delays, and manage risk.

Therefore, the lack of more integrated and predictive systems, like a Transport Management System (TMS) or Warehouse Management System (WMS), may restrict the company's capacity to proactively address supply chain disruptions, optimize freight costs, or model alternative logistics scenarios, even though these tools offer crucial insight into the operational layer of logistics.

**Question N°7: How does Lafarge Holcim Algeria measure the efficiency and effectiveness of its export logistics operations? What are the key performance indicators (KPIs) you monitor in logistics?**

**Answer N°07:** *We primary monitor three indicators to evaluate our export operations:*

- *daily rates*
- *Trucks number*
- *Rotation/truck*

**Analysis N°07:** According to the logistics director, Lafarge Holcim Algeria measures the efficiency and effectiveness of its export logistics operations according using three key performance indicators KPIs:

daily rates, which refer to the volume of products exported each day, number of trucks, which indicates how many trucks are used to transport products from the plant to the port, and the rotation per truck, which reflects how many times each track completes a round trip within a given time frame.

Each of these indicators plays a significant role in reinforcing the company's export logistics: The daily rates: represent a direct indicator of operational productivity. A higher daily rate highlights an increased shaping capacity which helps meet client deadlines and ensure smooth export operations. On the other hand, if the volume of goods shipped out each day is low (low daily rate), it may cause bottlenecks in the supply chain, leading to delays and

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customer dissatisfaction. In such cases, the company is alerted to review and adjust its logistics strategy to improve efficiency and avoid disruptions.

The monitoring of trucks enables the company to optimize the allocation of its transport resources meaning that by aligning the truck count with export demand and regional distribution needs, the company guarantees smoother operations and prevents under or over utilization of fleet capacity.

The rotation per truck reflects the efficiency and the effectiveness of logistics coordination. A higher rotation rate indicates that each truck completes more delivery cycles within a given period, which translates into better asset utilization. This not only reduces cost per shipment but also guarantees that more transport units are available to handle new export demands, therefore maximizing overall operational agility.

By closely monitoring them, Lafarge Holcim Algeria can proactively reduce delivery delays, enhance cost efficiency, particularly by minimizing port-related charges, and strengthen its competitiveness in export markets, where speed and reliability are key differentiators.

Collectively, these KPIs serve as core indicators that alert the company to potential inefficiencies. By monitoring them, the firm can actively minimize delivery rate, boost cost efficiency particularly by reducing port related charges and strengthen competitiveness in export markets where speed and reliability are strategic differentiators.

**Question N°8: How does logistics management impact the overall cost structure and profitability of Lafarge Holcim Algeria's export activities? What efforts are made to optimize logistics costs?**

*Answer N°8: Transport costs are measured taking in account the daily rates (potential surestaries). As of today, we are in under capacity: means that any additional capacity that increase the daily rates to a point where it lowers the surestaries is acceptable*

**Analysis N°8:** Lafarge Holcim Algeria's export logistics strategy functions under a current restraint of limited shaping capacity (not enough available boats). In response, the firm adopts a practical and strategic cost-management technique by continuously monitoring daily freight rates and remaining open to incurring higher transport costs if such investments can mitigate the risks of surestaries (which are penalties from shipments delays). In essence, this trade-off emphasizes that Lafarge Holcim Algeria prioritizes reliability and delivery performance over rigid cost minimization.

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**Question N°9:** Are there any recent investments in logistics that Lafarge Holcim Algeria has adopted or is considering for its export activities?

**Answer N°9:** *Recently we made a significant investment to support our export logistics and these include the acquisition of trucks and trailers for the west region to increase rates in the first day of operation (to cover the time needed by transporters to mobilize their fleet for not scheduled boat). We also established a dedicated clinker storage platform in partnership with STN at the port of Djen Djen. In addition, we installed a ship loader at the port of Djen Djen accessible to other companies.*

*Beyond this, we also invest in sustainable logistics solutions. Following the acquisition of the country's first fully electric truck and by integrating three 100% electric forklifts into our operations:*

- *one 4'-ton capacity forklift dedicated to expert shipment at the LCO cement*
- *two 3-ton capacity forklift used in warehouse and maintenance operations at the LCM plant.*

**Analysis N°9:** Lafarge Holcim Algeria's recent logistics investments reflect a strategic commitment to reinforcing its export infrastructure, with direct implications for both global performance and competitive positioning.

The acquisition of trucks and trailers for the western regions helps solve a crucial problem in loading ships, particularly during unscheduled shipments. In addition, this initiative helps the firm to respond faster and reduce waiting time at the port, thereby improving overall supply chain agility.

The creation of a dedicated clinker storage platform indicates a long term vision to secure export flow continuity and storage capacity. Additionally, the installation of ship loader at the port of Djen Djen facilitates maritime logistics, and optimizes handling efficiency, and the fact that this infrastructure is accessible to other companies reinforces the firm's reputation and influence within the Algerian export ecosystem.

Equally important is Lafarge Holcim Algeria's shift toward sustainable logistics, characterized by the introduction of Algeria's first fully electric truck and three electric

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forklifts into its operations. This investment underlines a systematic alignment between the firm's export logistics strategy and global sustainability standards. In addition, beyond minimizing the carbon footprint associated with transportation and material handling. This initiative underlines Lafarge Holcim Algeria's commitment to environmental responsibility and innovation. It not solely supports compliance with emerging green logistics regulation but also reinforces the firm's brand positioning as an innovative and responsible exporter in foreign markets.

Fundamentally, these investments indicate how Lafarge Holcim Algeria incorporates logistics innovation into its broader export strategy, guaranteeing alignment between capacity planning, cost efficiency, sustainability, and the maintenance of a competitive edge in international markets.

**Question N°10: Can you give an example where logistics decisions or optimizations had a direct impact (positive or negative) on export performance?**

**Answer N°10:** *Specific contracts and fleet redeployment for the east region allowed +33% increase in daily rates for bulk cement --> -2 surestaries days/boat in average*

**Analysis N°10:** The example provided by the export logistics department clearly illustrates how targeted logistics decisions can yield measurable enhancements in export performance. In this case, the deliberate choice to sign specific contracts and redeploy part of the transport fleet to the eastern region led to a 33% increase in the daily loading rate for bulk cement substantial gain in operational throughput. This optimization directly addressed one of the company's major logistical bottlenecks: high demurrage fees, which occur when ships are delayed at port due to slow loading operations.

By accelerating the loading process, Lafarge Holcim Algeria was able to reduce the average waiting time per vessel by two days, resulting in significant cost avoidance, improved ship turnaround, and enhanced scheduling flexibility. This strategic move not only increased port efficiency but also minimized demurrage penalties, improved client satisfaction by adhering more strictly to delivery timelines, and freed up port capacity for additional export activity.

Beyond the immediate operational gains, this decision reflects a broader alignment between logistics agility and business strategy. It showcases how smart resource allocation such as

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fleet redeployment can serve as a tactical tool to absorb market fluctuations, optimize costs, and maintain service reliability. Furthermore, by acting on regional disparities in transport readiness, Lafarge Holcim Algeria demonstrated the ability to localize solutions while contributing to overall supply chain resilience.

Ultimately, this case underlines the strategic role of logistics in strengthening competitiveness, particularly in industries where margins are closely tied to operational efficiency and delivery precision.

### **1.4.3 Axis 03: The role of sales and operations planning (S&OP) on export operations**

This axis delves into the strategic role that sales and operations planning (S&OP) in coordinating demand forecasts, production capacity, and export commitments to guarantee coherence and efficiency across Lafarge Holcim Algeria's international activities.

**Question N°1: Can you describe to us how the Sales and Operations Planning (S&OP) is structured at Lafarge Holcim Algeria?**

**Answer N°01:** *The sales and operations planning at Holcim Algeria is structured around the director production plan (DPP), this plan integrates inputs from the firm's budget and forecasts for both domestic and export markets, the planning process is organized into three rolling phases:*

- *Strategic phase: based on 12-month rolling forecasts*
- *Tactical phase: based on 3-month rolling forecasts*
- *Operational phase: 7 to 15 days rolling forecasts, aligned with LAYCAN*

**Analysis N°01:** At Lafarge Holcim Algeria, the director production plan (DPP) shapes the foundation of the firm's Sales and Operations Planning (S&OP) process by integrating strategic inputs such as annual budgets and real-time forecast updates to guarantee that production resources are optimally harmonized with sales commitment. In addition, by simultaneously managing domestic and export needs with one planning template, Lafarge Holcim Algeria decreases the risk of misbudgeting, production blockages, and stock imbalances.

Moreover, by breaking down planning into three rolling phases, the firm secured both strategic prediction and operational agility. The 12 months' strategic scope determines a clear

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long term vision, allowing active market positioning. The 3 months' tactical horizon promotes optimal allocation of resources and production in line with anticipated demand. Lastly, the 7 to 15 days' operational phase guarantee active and responsive day-to-day execution, especially for export operations with maritime logistics and LAYCAN scheduling (LAYCAN is the time window within which a vessel must arrive at the designed port and be ready for shipment operations), thus reducing disruptions and maximizing efficiency.

### **Question N° 3: Are there any automation or AI-driven solutions being used in S&OP planning?**

**Answer N°03:** *unfortunately, no*

**Analysis N°03:** According to the S&OP planning director response, Lafarge Holcim Algeria currently does not use automation or AI-driven solutions in its domestic or export sales planning processes. Rather, the firm continues to rely on rigid, traditional planning methods based on analytical tools without any form of artificial intelligence integration.

The absence of automation and AI in Lafarge Holcim Algeria's planning process emphasizes a missed opportunity for innovation. This gap is crucial in the export context where volatile demand patterns, geopolitical conflicts, and transport disruptions demand a high degree of responsiveness and adaptability. By integrating AI-driven solutions in the future, the firm could considerably enhance forecast accuracy, maximize supply chain flexibility, and especially guarantee that planning decisions are more closely aligned with dynamic market conditions.

### **Question N°5: What tools and indicators do you use to monitor and adjust planning decisions related to exports?**

**Answer N°5:** *The main indicator is clinker stock, when it reaches its maximum levels, export becomes a necessity to avoid production stoppage*

**Analysis N°5:** Clinker inventory operates as a keystone control variable within Lafarge Holcim Algeria's export planning system. As a semi-finished material essential to cement production, clinker must be managed with rigor to prevent excessive accumulation, which would alert inefficiencies across the supply chain. A raised level of clinker stock does not only tie up working capital but also augments inventory holding costs, including storage, insurance, and material handling charges. More critically, when clinker inventory reaches its

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upper operational limit, the production system confronts a severe risk: the forced shutdown of the kiln, this type of disruption is among the costliest and difficult to address as mentioned by all the different managers.

In this context, clinker stock acts as both an early warning signal and strategic tool, stimulating export activity that preserves continuous production, and sustains overall operational resilience.

**Question N°9: How do you handle sudden changes in export demand (e.g., new contracts, cancellations)?**

*Answer N°9: New contracts can be managed with strong planning, but constellations are difficult. Cancelled shipments create blocked inventory at the port which increases costs.*

**Analysis N°9:** Demand volatility is a critical challenge in international trade. For the new contracts, Lafarge Holcim Algeria leverages its S&OP planning cycle to integrate anticipated new contracts into production forecasts, raw-material procurement, and transport scheduling. By employing rolling demand forecasts, the firm creates a degree of elasticity in its production plan. This elasticity enables the firm to ramp up clinker and cement output without jeopardizing the stability of domestic supply or obtaining unsustainable costs. However, order cancellations present a more severe operational and financial perturbation for Lafarge Holcim Algeria, since when cancellations occur, stock becomes blocked at the port leading to increased handling fees, storage costs, and the risk of increased demurrage fees. These disruptions not only delay vessel operations but also affect both cost efficiency and supply chain fluidity.

### **1.4.4 Axis 04: The role of finance in export operations.**

This axis represents how and to what extent the finance department is integrated into the export operations, highlighting its role in ensuring financial coordination and efficiency throughout the process.

**Question N°4: Are there specific cost optimization techniques employed in export operations?**

*Answer N°4: As already mentioned, our roles come at the end of the export operation, therefore, we must act quickly and efficiently. The finance team works hard to ensure that all export-related documents are prepared on time, avoiding any delays on documentation*

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**Analysis N°4:** Although the finance department's role in export operations may seem administrative at first glance, its influence on cost optimization is substantial and strategic. Positioned at the final stage of the export process, the finance team acts as the cornerstone link that guarantees the smooth conclusion of a transaction and the timely release of products. Their capacity to process and validate export-related documentation rapidly such as commercial invoices, and shipping documents directly impacts the speed at which products can be cleared, loaded, and shipped.

In addition, the smooth coordination with banking institutions ensures that transactions are executed swiftly and promptly, specifically when dealing with international payments and foreign exchange. Any delay in this process could impact negatively the release of products or cause increase in different costs as demurrage fees

By acting promptly and efficiently, the finance department allows other teams to carry out their roles without interruptions, contributing to a seamless export chain which ultimately strengthens Lafarge Holcim Algeria's ability to maintain reliability in delivery, manage export costs effectively, and meet client demands in highly volatile and competitive foreign markets.

**Question N°7: How are export-related investments evaluated and financed? What are the expected financial returns?**

*Answer N°7: Exports-related investments are evaluated through a systematic business plan. Key financial performance indicators used in the appraisal process include Payback period and Return on Investment (ROI), ensuring that each investment decision harmonizes with Holcim Algeria's financial goals.*

**Analysis N°7:** In the context of Lafarge Holcim Algeria's export strategy, the appraisal and financing of export-related investments pass through a disciplined financial management system that aligns operational initiatives with corporate financial objectives which lead to the finance department to act as a strategic partner, assuming a central role in the investment decision-making process particularly for capital intensive projects.

Each proposed investment undergoes a structured assessment process, integrated within a comprehensive business plan. This plan incorporates key financial performance indicators,

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most notably the Payback Period and Return on Investment (ROI), as crucial tools for decision-making. The Payback Period serves as a risk-sensitive metric, offering insights into how quickly an investment is expected to recoup its initial outlay. This is especially valuable in a sector characterized by high fixed costs and cyclical market volatility. A shorter payback period typically signals lower financial risk and greater liquidity, thereby enhancing project attractiveness.

On the other hand, ROI provides a broader, long-term perspective by measuring the overall efficiency and profitability of the investment. It allows the company to compare multiple project alternatives and prioritize those yielding the highest financial returns relative to capital employed. This forward-looking evaluation fosters accountability and guarantees that investment decisions contribute meaningfully to the company's bottom line.

By embedding these financial tools within a rigorous appraisal framework, Lafarge Holcim Algeria ensures that export-related investments are not only aligned with operational needs but are also strategically and financially viable.

### **Section 03: Synthesis of the study and recommendations**

This section presents a general synthesis of the principal findings derived from the study, underscoring the main insights that appeared throughout analysis. Outlining these results, a list of recommendations is proposed to address the identified challenges.

#### **1 Synthesis of the study:**

The finding of our qualitative research, based on targeted interviews with Lafarge Holcim Algeria's key departmental leaders, offer an inclusive understanding of how strategic export management contributes to the competitiveness and performance of a multinational company operating in the Algerian context. Lafarge Holcim Algeria is an outstanding multinational entity, which maintains a predominant position in Algeria's export sector, with the contribution of over 30% of the nation's total construction material exports. This market share not only reflects the firm's economic relevance but also deliberates the refinement of its export governance and strategic orientation.

A keystone revelation of our study is the understanding that export operations within Lafarge Holcim Algeria are not managed by a single department. Conversely, they are the

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result of cross-functional coordination among multiple internal departments. This interdepartmental synergy allows the firm to maintain and optimize high levels of performance in a volatile international trade markets. Since the inception of its export activities in 2017, Lafarge Holcim Algeria has reported continuous growth, reinforced by meticulous and integrated strategy and the firm's capability to manage operational challenges and difficulties efficiently. Therefore, the year 2024 revealed a vulnerability in this strategy, as export volumes decreased due to logistical bottlenecks. Although logistics reinforce Lafarge Holcim Algeria's competitive advantage, the breakdown of any link of this chain can significantly undermine the export process and the company performance.

From a market orientation outlook, Lafarge Holcim Algeria undertakes a geographically diversified export strategy, with a strong focus on African and North American markets. These areas continuously score for the largest shares of cement and clinker volumes, highlighting segmented commercial prioritization. Simultaneously, a crucial aspect of the firm's strategy is the focus on value creation over volume expansion by progressively prioritizing finished products exports (cements) over semi-finished ones (clinker), reflecting a contemplated effort to optimize performance and release greater economic value per ton exported. In addition, customer satisfaction appears as a strategic factor in Lafarge Holcim Algeria's competitiveness, rooted not as a reactive appraiser but as a proactive operator of performance. The firm places quality assurance upstream in its operations, guaranteeing that all exported products conform with the specific technical standards of their destination markets, for an example, cement exported to the United States is adapted to meet ASTM norms (American Society for Testing and Materials). This anticipative quality management procedure decreases post-shipments conflicts, minimizes returns or rejections, and reinforces the company's image and thereby reinforcing the long-term global competitiveness of the firm in international markets.

On the logistics front, the study demonstrates that Lafarge Holcim Algeria's logistics strategy for export markets is conscientiously designed, prioritizing cost-effectiveness, reliability, and rigorous adherence to regulatory instructions. Road safety compliance, the constant monitoring of daily freight rates, and the maintenance of shipment volumes are treated as non-negotiable imperative for mitigating risks, and guaranteeing cost-efficiency of export operations. The logistics strategy of the firm currently functions under the restraint of limited shipping capacity, responding to this the company employs a pragmatic cost-

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management technique by constantly monitoring daily freight rates and by the willingness to acquire higher transport costs if such investments help to mitigate the significant risks associated with penalties for shipment delays. Moreover, a transporter portal and In-Vehicle Monitoring Systems (IVMS), which offer real-time visibility into shipments and driver performance, are more examples of how Lafarge Holcim has started to digitize its logistics operations. Nonetheless, the lack of a completely integrated warehouse management system (WMS) or transport management system (TMS) indicates a chance to improve scenario planning and prediction even more.

In addition, the firm has implemented numerous high-impact investments such as the acquisition of transport fleets, the creation of a clinker storage platform, and the installation of a ship loader at the port of Djen Djen which conjointly boost operational flexibility and help confront the different challenges and disruptions that the company is facing. In essence, logistics decisions directly impact both financial and operational performance of the company.

At Lafarge Holcim Algeria, the sales and operations planning (S&OP) plays a central role in aligning production with commercial demand through a tripartite planning approach, comprising strategic (12 month), tactical (3 month), and operational (7 to 15days) forecasts. Therefore, by managing domestic and export needs with a unified planning framework, Lafarge Holcim Algeria can efficiently mitigate numerous risks and balance between production capacity and export commitments. Planning is further reinforced through constant monitoring of key indicators, more particular clinker stock levels. When inventory attains its upper threshold, export becomes crucial to prevent operational disruptions such as kiln shutdowns, underscoring the role of sales and operations planning (S&OP) in preserving the company's performance.

However, despite its robust structure, the company's planning process currently lacks automation or AI-driven tools. According to the S&OP Planning Director, Lafarge Holcim Algeria continues to rely on conventional analytical methods. This absence of digital innovation signifies a critical gap in an era where global logistics are increasingly disrupted by market volatility, geopolitical tensions, and climate-related transport issues. Without AI-enhanced planning capabilities, the company risks reduced agility in responding to unforeseen changes in demand or supply conditions. The current planning method might be greatly improved by incorporating cutting-edge technology like AI-based forecasting,

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machine learning, and predictive analytics. Demand estimates may be improved, different planning scenarios can be simulated, anomalies can be found, and real-time decision-making is supported by these technologies.

In the last phase of the export process, Lafarge Holcim Algeria's finance department is essential to maintaining the effectiveness, legality, and financial viability of global operations. The prompt compilation of export-related financial documentation, such as invoices and customs declarations, and efficient coordination with banking partners to oversee payment procedures and currency conversions are among its primary duties. Securing customs clearance, maintaining cash flow, and lowering financial risks all depend on these responsibilities.

In addition to its operational responsibilities, the department makes strategic contributions by analyzing investment choices, determining the profitability of export operations, and offering guidance on pricing plans that take into account both domestic expenses and global market conditions. Additionally, it shields the business from possible financial exposure by putting in place risk mitigation strategies like export credit insurance or hedging methods. The finance team's activity is essential for facilitating seamless execution, maintaining performance, and coordinating export operations with Lafarge Holcim Algeria's long-term strategic goals, despite the fact that it intervenes at the end of the export chain.

In summary, Lafarge Holcim Algeria's export system demonstrates that strategic export management is not simply an operational activity but a pluridimensional process rooted across the company's functional core. It depends on synchronized collaboration between departments to manage market complexity, optimize performance, and maintain a sustainable competitive edge in foreign markets.

### **2 Recommendations:**

Building on the qualitative insights, the following recommendations are proposed to strengthen Lafarge Holcim Algeria's export strategy and boost its performance and competitiveness in international markets:

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### **2.1 Implementation of Terrestrial Transport for African Markets:**

Our study showed that Africa represents one of the Lafarge Holcim Algeria's most important regional export destinations. Therefore, maritime capacity limitations and port obstructions limited the firm's capability to meet African demand rapidly, contributing to the 2024 volume decrease.

To mitigate maritime dependencies and boost supply chain flexibility, Lafarge Holcim Algeria can prioritize the development of terrestrial transport targeting key African markets. This initiative lead to:

- Bypass maritime impasses
- Decreasing reliance on limited port slots
- Raise shipment frequency
- Enhance regional supply resilience against maritime disruptions

By actively boosting its terrestrial transport network across Africa, Lafarge Holcim Algeria can not only optimize its market presence but also potentially extend into new regional markets which lead to reinforce its competitiveness

### **2.2 Diversification of Export Product Portfolio:**

When Lafarge Holcim Algeria has fulfilled notable market diversification across several regions, its export product portfolio remains relatively narrow, limited to clinker (a semi-finished product) and cement (a finished product). This restricted scope constrains the firm's capability to utterly capitalize on international market opportunities, especially where the demand for more advanced, value-added construction materials is growing. To boost both profitability and long-term performance, Lafarge Holcim Algeria should consider diversifying its export offers to include complementary products such as plasters or mortars. By offering a broader range of materials, Lafarge Holcim Algeria can better meet client's needs, access higher-margin markets, and boost its position as a comprehensive solution provider in the global construction industry. This approach would not only optimize product differentiation but also reinforce resilience in the face of shifting market trends and demands

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### **2.3 Investment in Advanced S&OP software for export specific planning:**

Although Lafarge Holcim Algeria already benefits from unified S&OP planning that aligns domestic and export demand and which has numerous advantages. However, the complexity of international trade requires more sophisticated analytical capabilities. The current system, while effective for general coordination, may lack the agility and precision required to navigate the challenges posed by exchange rate fluctuations, geopolitical conflicts, shifting regulatory landscapes and supply chain disruptions. To address these disruptions actively, the firm should invest in advanced S&OP software modules specifically designed for export operations. To increase forecasting accuracy, optimize resource allocation, and assist risk management, these export-focused solutions can integrate real-time data, predictive analytics, and scenario planning features. Lafarge Holcim Algeria can improve its ability to respond to external shocks, better connect strategy objectives with operational execution, and ultimately increase performance and competitiveness in international markets by implementing such specialist technologies.

### **2.4 Integration of Block chain technology for enhanced logistics:**

To overcome persistent logistical inefficiencies and optimize both performance and competitiveness, Lafarge Holcim Algeria should consider integrating block chain technology into its export activities. Block chain offers a decentralized digital ledger that can simplify each stage of the supply chain, from production to port departure and final delivery. By implementing block chain, the firm can reinforce real-time visibility and traceability of shipments, significantly decreasing the risk of information disparity, fraud, and documentation errors. Smart contracts implanted within block chain systems can also automate processes including payment release upon delivery confirmation which lead to minimal manual intervention and delays. In addition, all export-related documents including bills of lading, quality certifications, and customs declarations can be securely digitized and instantly accessible to all authorized partners, facilitating compliance with international trade requirements. This level of transparency and automation lead to reinforce the logistical capabilities of Lafarge Holcim Algeria, thereby improving its resilience and sustain its competitiveness in volatile international markets.

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### **2.5 Implementation of an integrated Logistics Management system:**

To optimize the efficiency, visibility, and strong coordination of its export operation, it is recommended that Lafarge Holcim Algeria adopt an integrated management system, such a Transport Management System (TMS) or Warehouse Management System (WMS). Whereas the firm currently uses IVMS and a transport portal, these tools function in isolation and do not provide end-to-end oversight of the export supply chain. An integrated system would allow for centralized control of transport planning, inventory flow, shipment tracking, and performance analytics allowing better decision-making, decreasing lead times, and enhancing overall responsiveness to market demands. This digital integration would not only boost operational performance but also strengthen the company's resilience and competitiveness in increasingly complex and volatile export environments.

### **Conclusion of the Chapter:**

Lafarge Holcim Algeria's export strategy is a core driver of its overall performance and international competitiveness, supported by strong interdepartmental coordination and structured planning. Through qualitative analysis, the study revealed both strategic strengths and operational challenges, particularly in logistics and digital integration. The resulting synthesis led to targeted recommendations aimed at enhancing export resilience and aligning operations with long-term performance objectives. This confirms the central role of strategic export management in sustaining competitiveness in global markets.

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# General conclusion

In light of Algeria's ongoing efforts to balance its trade deficit and minimize its reliance on hydrocarbon profits, the development and promotion of non-hydrocarbon exports have emerged as national priorities. Nevertheless, attaining sustainable export success demands the implementation of a structured and strategic export management process. This research has sought to analyze how such a process can influence the competitiveness and performance of multinational companies operating in this context.

Before conducting the empirical study, the research first focused on developing through understanding of each element of the central theme, as explored in the existing literature. This included a review of strategic export management theories and international trade frameworks relevant to this topic. Particular emphasis was placed on the concept of strategic export management, with a detailed examination of its key elements. Subsequently, the research explored the notions of performance and competitiveness, presenting the various theoretical approaches that establish a link between the two approaches.

Our practical investigation revealed that Lafarge Holcim Algeria adopts a well-integrated strategic export Management process, where this approach is characterized by strong interdepartmental coordination among different departments such as S&OP, logistics, and finance teams. The firm illustrates a high level of market responsiveness by adapting its products to the specific needs of different segments, therefore boosting customer satisfaction and aligning with diverse market demands. In addition, the company actively pursues market diversification across continents, which effectively leads to mitigating regional risks and stabilizing export volume. Moreover, the firm has invested massively in infrastructure and constantly supervises its logistics performance using specific metrics, leading to operational efficiency. These strategic efforts have resulted in continuous growth in export profits, increased profitability leading to high overall performance and a strong competitive edge in international markets. Despite a temporary decline in 2024 due to logistical disruptions, the firm's ongoing investment underline the resilience of its strategic export management

Through our comprehensive analysis, we **confirm Hypothesis 1 (H1)**, which assumes that multinational companies (MNCs) with a proactive strategic export management approach demonstrate superior performance and maintain a sustained competitive advantage in volatile foreign markets. Evidence from our case study of Lafarge Holcim Algeria highlights how

such an approach enables MNCs to attain high levels of performance and maintain its competitive edge in dynamic market conditions. Similarly, **Hypothesis 2 (H2) is confirmed** by our finding that the adoption of advanced technologies and digital platforms significantly reinforce both the competitiveness and overall performance of MNCs. For instance, despite strategic export planning at Lafarge Holcim Algeria, persistent logistical disruptions pose challenges. However, the integration of advanced technological solutions and digital platforms has the potential to optimize their Sales and operations planning (S&OP) and logistics processes, thereby optimizing operational efficiency and market responsiveness. On the contrary, our analysis leads to the **rejection of Hypothesis 3 (H3)**, which suggests that MNCs relying solely on standardized strategies achieve higher competitiveness and performance across foreign markets. The case of Lafarge Holcim Algeria demonstrates the benefits of adapting products to the specific needs of each target market, contributing to zero complaints, sustained growth in key markets, and consistent overall performance. This underlines the importance of market-specific customization rather than uniform standardization.

The significance of this study lies in its contributions at numerous levels. For the firm it offers recommendations to address identified gaps including enhancing digital infrastructure, and diversifying the product portfolio. For academic inquiry, the study stipulates framed application of strategic export management theories in volatile foreign markets.

Nonetheless, the study faced several challenges due to strict confidentiality requirements imposed by the firm, as well as the frequent travel commitments of the export team, which limited the available time for conducting the study.

Looking forward, future research could expand upon this work by incorporating a comparative analysis across multiple firms or sectors in Algeria, or by adopting mixed-methods approaches to validate findings quantitatively. Moreover, examining the role of digital transformation in export performance could offer timely insights, especially as firms increasingly navigate uncertainties driven by geopolitical shifts and environmental pressures.

In conclusion, this study reaffirms that strategic export management is not simply a function, but a transformative lever of sustainable performance and competitive advantage for multinational firms operating in emerging economies.

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## List of appendices

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## **Appendix N°3.1: Interview Guide**

The aim of this interview is to gather qualitative insights from key managers at Lafarge Holcim

Algeria regarding the company's export activities and their contribution to overall competitiveness. These interviews will help to understand how Holcim Algeria defines, manages, and evaluates its export strategy, the challenges it encounters, and the operational, financial, and logistical mechanisms that support its international development.

### **Axis 01: Strategic structuring and contribution of exports operations**

1. How is the export strategy at Lafarge Holcim Algeria defined and who is involved in its formulation?
2. Which criteria or factors does Lafarge Holcim Algeria consider when selecting new international markets?
3. How has export activity evolved in recent years?
4. Which regions does Lafarge Holcim Algeria export to the most?
5. What are the key operational processes in managing export activities at Lafarge Holcim Algeria?
6. Are there specific performance metrics used to measure export success?
7. What are Lafarge Holcim Algeria's strategic export growth plans?
8. What are the main challenges the company faces in the export process (logistics, regulations, competition...)?
9. How does the company's export activity influence its competitiveness both nationally and internationally?
10. How do you evaluate customer satisfaction in international markets?

### **Axe02: Export Logistics and Operational Efficiency**

1. Are there specific logistical challenges when exporting to certain markets? How do you address them?
2. Are there any automation or AI-driven solutions being used in logistics operations?
3. What are the key considerations and priorities when developing and implementing logistics strategies for export markets? (e.g., cost efficiency, delivery time, reliability, regulatory compliance)

4. What are the primary transportation modes used for Lafarge Holcim Algeria's exports (e.g., sea, land, rail)? What factors influence the choice of these modes?
5. Could you describe the geographical scope of Lafarge Holcim Algeria's export logistics network? Which regions or countries present the most significant logistical challenges?
6. What technologies and systems are utilized to manage and track export shipments and logistics operations? (e.g., TMS, WMS)
7. How does Lafarge Holcim Algeria measure the efficiency and effectiveness of its export logistics operations? What are the key performance indicators (KPIs) you monitor in logistics?
8. How does logistics management impact the overall cost structure and profitability of Lafarge Holcim Algeria's export activities? What efforts are made to optimize logistics costs?
9. Are there any recent investments in logistics that Lafarge Holcim Algeria has adopted or is considering for its export activities?
10. Can you give an example where logistics decisions or optimizations had a direct impact (positive or negative) on export performance?

**Axis 03: The role of sales and operations planning (S&OP) on export operations**

1. Can you describe to us how the Sales and Operations Planning (S&OP) is structured at Lafarge Holcim Algeria?
2. What are the main operational challenges you face when planning for international markets compared to local markets?
3. Are there any automation or AI-driven solutions being used in S&OP planning?
4. How do you align domestic and export demand forecasts within your planning process?
5. What tools and indicators do you use to monitor and adjust planning decisions related to exports?
6. How do you manage uncertainties in export demand or unforeseen operational disruptions (e.g., port delays, political risks, raw material shortages)?
7. Are there specific markets or product lines you focus on strategically in your export planning?
8. In your experience, how has an effective S&OP process contributed to Holcim Algeria's commercial performance in export markets (e.g., order fulfillment rates, on-time delivery, customer satisfaction)? Can you provide examples?
9. Are there specific tools or systems that support S&OP processes in export management?
10. How does the S&OP process help Holcim Algeria remain competitive in international

markets?

**Axis 04: The role of finance in export operations.**

1. What are the key financial processes involved in managing export operations efficiently?
2. What payment methods or systems are commonly used for international transactions, and how reliable are they?
3. Are there particular export markets or clients that contribute significantly to revenue growth?
4. Are there specific cost optimization techniques employed in export operations?
5. What role does pricing strategy play in ensuring competitiveness?
6. What are the main financial risks associated with Lafarge Holcim Algeria's export operations?
7. How are export-related investments evaluated and financed? What are the expected financial returns?
8. Regarding the zero retard on documentation mentioned by the Export Director, could you explain the financial implications of this efficiency? How does it impact costs, cash flow, and overall operational efficiency? What financial controls and processes contribute to this success?
9. How are export activities integrated into Holcim Algeria's overall financial planning and budgeting processes?
10. From a financial perspective, what are the key opportunities and challenges for Lafarge Holcim Algeria to further enhance the financial performance and competitiveness of its export activities?

At the end, we would like to express our sincere gratitude to each of the managers for their valuable time, and insightful contributions. The qualitative information gathered through this interview will serve as a critical foundation for analyzing the strategic, operational, logistical, and financial dimensions of the company's export activities. Their collaboration has significantly enriched the research and deepened the understanding.

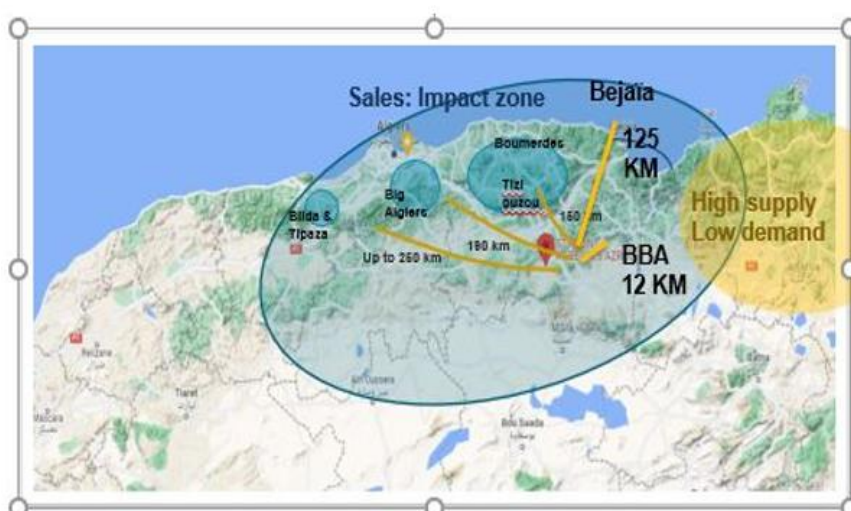
**Appendix N°3.2: Volume of cement exports to the USA during the period 2022-2024**

| Type of the product | Destination | Year | Volume(T) |
|---------------------|-------------|------|-----------|
| Cement              | USA         | 2022 | 173 100   |
|                     |             | 2023 | 629 538   |
|                     |             | 2024 | 760 117   |

**Appendix N°3.3: Volume of white cement exports to the USA during the period 2023-2024**

| Type of the product | Destination | Year | Volume(T) |
|---------------------|-------------|------|-----------|
| White cement        | USA         | 2023 | 48 588    |
|                     |             | 2024 | 109 944   |

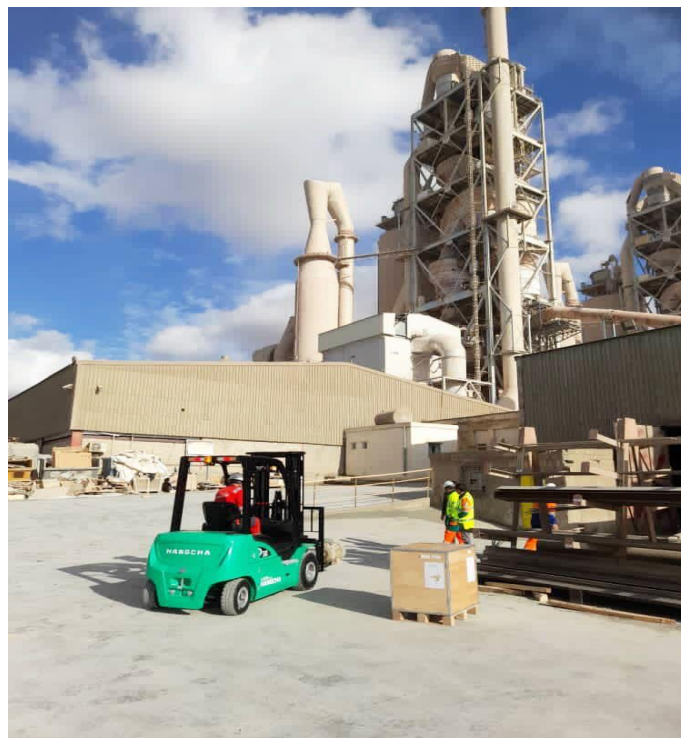
**Appendix N°3.4: Azrou sales area extention**



**Appendix N°3.5: 100% maintenance electric forklift**



**Appendix N°3.6: 100% Shipment electric forklift**



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| Type of the product | Destination | Year | Volume(T) |
|---------------------|-------------|------|-----------|
| Cement              | USA         | 2022 | 173 100   |
|                     |             | 2023 | 629 538   |
|                     |             | 2024 | 760 117   |

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