

Core International Capabilities Checklist

**Drivers are a subset of TerraFirma Strategy's proprietary international planning model that contains nearly 200 critical processes, policies, and capabilities that support and drive international growth*

	DRIVER*	RELEVANCE			CAPABILITY			OBJECTIVE	COMPLETE
		○	◐	●	○	◐	●		
1	Strategic	Strategic Objectives						Clearly defined and measurable objectives that support the company's strategic priorities for international growth, with buy-in across the management team, shareholders, and other key constituents	
2		Target Geographies						Prioritized short list of target geographies based on methodical weighting and scoring of key market attractiveness and accessibility criteria	
3		Target Verticals						Prioritized list of targets applications / verticals leveraging core business in domestic markets and existing customer and channel relationships	
4		Competitive Positioning						Clearly delineated differentiation vis-à-vis the international competitive set and thorough understanding of local KPIs including trade-offs between price, quality and value	
5		Landed Cost Modeling						Thorough understanding of landed cost to inform pricing, determine actual gross margins, and identify areas along the value chain to improve service and / or profitability	
6	Commercial	Currency						Strategic approach to billing / AR that accounts for exchange rate risk, customer expectations, and administrative complexity (e.g., billing in local currency or \$USD)	
7		Pricing						Systematic approach to pricing that drives strategic objectives (e.g., share v. margin), aligns internal objectives (e.g., finance v. sales) and clearly defines key processes including adjustments, discounts, rebates, and adjustment timing / methodology	
8		Distribution Agreements						Distribution / customer agreements that address requirements unique to the international business, e.g., goodwill indemnity, warranty, implied exclusivity, etc.	
9		Credit Terms						Country specific terms that account for local competitive dynamics and operational realities, including time lag between shipment of goods and clearing of customs in local market	
10		Collaboration Tools						Dynamic set of digital communication, document sharing, and project management tools to streamline communication among HQ, field resources, customers, suppliers, and other constituents	
11	Operational	Local Product Requirements						Product designed and developed to meet local product requirements, balancing global scale and efficiency with local KPCs	
12		Incoterms						Strategic use of incoterms that incorporates trade-offs b/t risk, cost, customer experience, and potential treatment of freight as a profit center	
13		Forecasting / S&OP						Systematic process with sales, operations, and finance, balancing customer needs with financial and operational drivers of the business	
14		Freight Management						Treatment of freight and logistics management as a competitor differentiator, with focus on key customer satisfaction metrics including on-time delivery, cost efficiency t, competitive lead times, and minimal damaged goods claims	
15		Structure / Entity Selection						International entity structure that balances long-term strategic plan for the business with the pragmatic realities of gaining traction and managing the business in short/medium term	
16	Administrative	Credit Policy / Approvals						Clearly defined and articulated process for reviewing new credit applications and existing customer credit levels based on strategic balance between bad debt reserves and need to drive new business	
17		Payroll Management						Payroll management system that balances cost with ability to scale with growth in the organization while meeting local payroll requirements	
18		Reporting Matrix						Detailed map of relative roles and responsibilities for supporting international business requirements, with clearly articulated solid and dotted reporting lines across and within various business functions	
19		Management Capability						Sufficient international business capabilities within the management team to meet initial objectives as well as support growth and added complexity in the business over time	
20		Customer Onboarding						Detailed process for customer onboarding including initial screening, credit checks, credit approvals, contracting, order submission, training, digital asset management, and AR policies	
21	Risk	IP Protection						Proactive implementation of systemic IP protection plan in current and potential markets, including trademarks, patents, copyrights, domain names, trade secrets, trade dress	
22		FCPA / UK Anti-Bribery						Comprehensive and dynamic FCPA training and compliance program covering onboarding and continuing education at all levels within the organization, as well as with relevant third parties	
23		Data Protection / Privacy						Comprehensive data security regime that complies with local jurisdictions including GDPR (EU), UK Data Protection, and PIPEDA (Canada)	
24		Warranty Policy						Clearly defined and articulated country-specific warranty policies that balance minimum local legal requirements, competitive dynamics, and field support requirements	
25		Sanctioned Countries / Customers						Clearly defined and documented due diligence process for proactively identifying potential matches against OFAC's Specifically Designated Nationals list for new (and existing) customers	

Focus planning efforts on drivers with high/medium relevance and low/medium capability