

**INTERNATIONALIZATION STRATEGIES FOLLOWED BY THREE MEXICAN
PIONEER COMPANIES GRUPO MODELO, GRUPO BIMB AND CEMEX ISSUES AND
CHALLENGES**

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Abstract

The opening of the Mexican economy and globalization bring new opportunities for Mexican companies to expand their markets and get their products around the world. The internationalization process requires a sound strategy for the consolidation in foreign markets. The aim of this study is to analyze the different internationalization strategies followed by three Mexican companies with a global presence: Grupo Modelo, Grupo Bimbo and Cemex. We conclude that the differences in their strategies arise from the characteristics of each of these companies.

Keywords: *Mexican companies, strategy, expansion, internationalization.*

Introduction

The landscape of this century requires companies to be increasingly competitive, and that not only have to compete with domestic rivals but new players come in search of a single market. Today's competitive advantages and are no guarantee of success without a solid strategy that will ward.

The decision made at the time a local company to expand its market to new countries, must be supported by an internationalization strategy appropriate to the characteristics of the company. It also has a wide range of options for entering new markets, exports, licensing, and joint ventures with foreign partners, strategic alliances, acquisitions, establish subsidiaries, among others. However the best choice will be consistent with its objectives and characteristics.

Background

Globalization is a phenomenon that accelerated in the late twentieth century, in the last three decades, increased international economic transactions, thus expanding economic relations between countries.

The world economy entered a process of numerous scientific and technological advances that changed production patterns worldwide. The deregulation aimed at removing trade barriers between countries was a consequence of globalization, which for some companies has been a growth opportunity, while for others a latent threat to the entry of new competitors.

In the mid-eighties with the entrance to the General Agreement on Tariffs and Trade (GATT), the Mexican economy began a process of trade liberalization which is consolidated with the entry into force of The Free North American Free Trade Agreement (NAFTA). Thus our country adapts a new economic model: the neoliberal model, which encouraged external competitiveness from trade liberalization (Branches, 2005).

The new economic policies of this new model involve change and restructuring of Mexican companies. The Mexican economy opened to international trade and financial markets, gave a strong boost to exports and foreign investment was allowed in more sectors of the economy. All these actions benefited large Mexican companies in their growth and expansion, while allowed to integrate into international production and exports through acquisition of companies abroad (De Gortari, 2005).

Grupo Modelo, Bimbo and Cemex were three large Mexican companies that were consolidated in the country and sought to internationalize through different positioning strategies in international markets. A common denominator among these companies was the use of acquisitions and alliances with foreign partners, but the strategies followed by each were different.

DEFINITION OF THE PROBLEM

According to De los Rios (2005) among Mexican multinational companies successfully in the internationalization process are: America Movil, Bimbo, Gruma and Cemex. Clarifying the process of internationalization beyond imports and exports, i.e. involves the establishment of subsidiaries or the acquisition of companies is elsewhere.

This research focuses on the analysis of internationalization strategies followed by three of Mexico's most important companies of our country with a presence in international markets: Bimbo, Cemex and Grupo Modelo were chosen because these three companies have been recognized by national and international magazines as successful businesses in foreign markets. According to the ranking made by the group and published on its website CNN Expansion, these companies are among the 500 most important companies in Mexico. Cemex is in the number 6 in the place Grupo Bimbo and Grupo Modelo 11 at number 22 (see Attachment A).

Moreover these companies to analyze different strategies to position it clearly in foreign markets.

Hypothesis:

The characteristics of each of these three Mexican companies are a major determinant of the choice of different strategies and ways of entering foreign markets.

OBJECTIVE

To analyze the internationalization strategies and positioning in international markets of three Mexican companies with a worldwide presence: Grupo Bimbo, Cemex and Model and demonstrate that these three companies have expanded their market by using mergers and acquisitions as growth strategy.

- Analyze the trajectory of each of the three companies in the global context.
- Establish the most important factors influencing the success of each of the companies chosen.

FRAMEWORK

Cortes de los Rios (2005) says that many of Mexico's most important economic groups were created and managed its expansion, consolidation and development thanks to the acquirers and mergers took place. It analyzes the behavior of the acquisitions in Mexico in the period 1986-2005, concluding that this type of operation shows a cyclical and economic fluctuation coincide with the country, increasing in the late eighties and early nineties.

On the other hand shows that mergers and acquisitions for our country are concentrated in banking, finance and telecommunications. In the study period prevailed horizontal acquisitions, followed by vertical and finally concludes that the process of mergers and acquisitions is indeed, as she defines a "vehicle" for the internationalization of Mexican companies.

Moreover, Celso Garrido (2001) a study on cross-border operations during the nineties in Mexico, distinguishing foreign acquisitions made by companies established in Mexico, Mexican takeovers by foreign companies. This study shows results that say the process undertaken grades Mexican companies and groups to internationalize their production activity. Garrido ranks results of acquisitions fleshed out by Mexican companies at three levels: macro, meso and micro.

This work is a case study of the different strategies for entering international markets and show that despite the existence of a common denominator among these strategies, as is the case of acquisitions, the company's own resources play a key role to allow them to take different paths to achieve their goal.

CONCEPTUAL-THEORETICAL

When a company decides to expand into new markets is essential to plan a strategy to reduce the risk of failure, for this is to consider the advantages and disadvantages of different forms that have to enter these markets and also to consider its position market and the characteristics of your company. In this context we say that an international strategy is one used by a company to sell its products outside its national territory.

Internationalization is a process by which a domestic company can extend their productive activities to other countries, according to Peng (2006), is a process where a multinational organization is responsible for any commercial or production of an enterprise located in different parts the world.

The reasons that lead companies to make the decision to internationalize your business are the benefits they can acquire if they implement the strategy succeed. These expected benefits are:

1. Increased market size. Expand their productive activities to another country gives them the opportunity to captivate new customers, new markets to sell their products.
2. Better returns on their investments. It is expected that investments in other countries generate above average returns.
3. Better economies of scale, scope or learning. Producing under economies of scale production reduces costs and produces the same internationalization synergies, which shares knowledge and learning.
4. A competitive advantage of location. When a company decides to settle in another country with the intention of reducing costs many times companies are looking for markets where they can get cheap labor, natural resources or cheaper energy or potential new customers in that country (Hitt, Ireland & Hoskisson, 2008).

There are two ways of entering foreign markets, on one hand the non-property, as its name suggests involve entering new markets without the need to use part of its assets or capital. Examples of these: Exports and contractual agreements.

Moreover there are still properties, which involve the establishment of subsidiaries in new markets; investment is needed to begin operations. Some examples of these: Joint ventures (joint adventure) and partially owned subsidiaries. This approach gives rise to multinational corporations (MNCs) which are companies that operate with foreign direct investment, its function is the control and management of value-generating activities in foreign countries (Peng, 2006).

If a company decides to export has two possibilities: Direct export is the direct sale of goods to foreign customers or where the indirect export sales to foreign markets is through intermediaries.

Contractual agreements are classified as:

A. Licenses / franchises. When a foreign company buys the rights to manufacture and / or sell products in the domestic business. This in exchange for a royalty per unit produced or sold (Hitt, et al., 2008).

B. Projects ready to operate. Projects are paid for certain activities for a business (construction of facilities or personnel training, etc.).

C. Research and development contracts. Agreements between companies to assist in research and development one can work for another.

D. Joint marketing. A set of companies agree to jointly market their products.

Property forms Returning to internationalize. a company defines what is a joint venture (EC) which is understood as a company originated and owned by two or more companies This new company can be a minority (when one of the generating company has less than 50% ownership), 50/50 (partners have the same percentage of ownership) or majority (a company has more than 50% of CD) .

For their part, wholly owned subsidiaries (SPT) are subsidiaries of the multinational company, located in different countries. In turn, these can be of two types: operations on a blank field, when companies begin operations from the construction of these. Moreover mergers or acquisitions are the most popular form of entering foreign markets. Involve the transfer of assets, knowledge, and control operations between companies.

Because the latter is the most sought after by companies wishing to establish themselves in other markets then we pause this for a better understanding.

A merger is defined as the combination of assets, operations and management of two companies to establish a new legal entity (Peng, 2006). Meanwhile an acquisition is the transfer of control of the assets, operations and management of a company (object) to another (purchaser), making the object in a unit of the purchaser (Wright, 2002). In reality the acquisitions are more common than mergers. These operations can be carried out in three directions:

A. Horizontal. Are acquisitions between competitors within the same industry? This is the most common type, as it increases the market power of the synergies obtained by exploiting the costs and revenues.

B. Vertical. This type involves the relationships between companies which makes them focus their suppliers (up) or its buyers (up). With this acquisition the company is vertically integrated, controlling additional parts of the value chain

C. Conglomerate. These are transactions where companies interact unrelated products.

Hitt et al. (2008) adds the related acquisitions occur within an industry closely related and transborder acquisitions are those which as its name says, transcend territorial boundaries.

Moreover, this type of transaction may be hostile or friendly, the first concern when management of a target company is against the acquisition, this company is not seeking a takeover bid. Such events increases during downturns in the economies, as it is easier to detect companies that are undervalued mismanaged in relation to its assets (Thornton, Keesnan, Palmeri & Himelsten, 2002). The acquisitions are friendly when both companies are in agreement to carry out the transaction.

The table in Annex A summarizes the advantages and disadvantages of each of the modes of entry to foreign markets.

A complete model of foreign market entry described in Peng (2006), which considers the tripod base of the strategy as a sound strategy. Considerations based on the industry through the diamond of Porter's five forces suggests a review of the industry environment it belongs to the company, this analysis can uncover opportunities to open new markets.

For their part, resource-based considerations, led by the model VRIO (value, rareness, imitation and organization) are a factor to be taken into consideration the managers of a company when deciding to enter international markets. Many times the value of the assets of a company are key factor to compete abroad, likewise if a company with resources much rare and difficult to imitate, has assets that can exploit an opportunity in other markets.

Finally considerations institutions are perhaps one of the key firms in search of new markets should consider when embarking on new markets. Knowledge of the rules are vital for easier entry to markets unknown. Although globalization seeks the integration of countries, institutions and culture rules are factors that have not yet unified.

After the theoretical review that supports the internationalization of companies in the next section proceeds with the individual analysis of each selected Mexican firms to conclude this section with a comparison of the various factors that influenced the success of internationalization of each company.

METHODOLOGY

The methodology for the preparation of this work was the revision of the paths that have these three companies since its inception to the present, past and putting special emphasis on internationalization. It also is evident through its success through the search and tracking of recognition has been given to these companies. The information collected for this analysis comes from the official website of each company, as well as annual reports and additional sources such as empirical studies for these companies.

The next section will be the case study of each selected Mexican firms: Grupo Bimbo, Cemex and Grupo Modelo.

ANALYSIS OF MEXICAN COMPANIES

GRUPO BIMBO

Founded in 1945, today this company is one of the largest bakery companies in the world and a leader in the Americas has earned recognition for their production and sales volumes. According to its annual report 2010 (Grupo Bimbo, 2010) has 103 plants and over 1000 strategically located distribution centers in 17 countries in America and Asia. One of its most valuable assets is the possession of one of the most extensive distribution networks in the world with over 41,000 routes.

Starting operations on December 2, 1945 the first production plant in Mexico, under the direction of Jaime Sendra and Lorenzo Servitje, Bimbo is placed on consumer preferences through the presentation and quality of their products. In 1946 this plant is expanded and begins structuring the area of vehicles, which later became his strategic asset for the growth of the company. The Bimbo distribution network began with an agreement to distribute its products with carriers who distributed newspapers in the province. However this was not enough and had to open routes and outside agencies, the first in Puebla in 1949.

The distribution of products of this company took from town to town, following the paths, roads and railways, so vendors were opening up the market.

The growth of this company in our country was the result of knowledge of the needs of its consumers (building products) and vision of its managers to take advantage of opportunities offered by the market, spread around the country through establishment of new silver and the acquisition of some of its competitors.

In search of closer integration in 1973, Bimbo began making jam in order to supply one of its lines (Marineo dedicated to making cakes and cookies) of raw material. Also in the late seventies Bimbo executives found themselves in the market for sweets and chocolates retailer an opportunity, as this was poorly attended, and decided to put a small candy manufacturing plant (Ricolino). Thus began a diversification outside the bakery and confectionery.

After consolidating the domestic market, leaving Mexico in 1984 the first trailer with Marinela products, bound for Houston, Texas. And in 1989 began international expansion with the creation of Bimbo Bimbo Central America and Guatemala with the construction of the first plant outside the country.

In 1991 created the Latin America Division (OLA) to operate the expansion south of the country. In this decade the company acquired Alesa (Chile) and Holsum, bakery leader in Venezuela. Bimbo is created El Salvador, Costa Rica, Argentina and Peru in Colombia, established a partnership with Noel, the largest biscuit company in the country In 1998, the purchase of American bakery Mrs. Baird's, a leader in Texas that had 11 floors.

In 2001 he made the purchase of Plus Vita from Brazil, which confirmed its leadership Bimbo Latin America and in 2002 acquired the Canadian company George Weston Ltd. Bimbo In this decade, began its presence in Europe with the purchase of the company confectionery Park Lane, located in the Czech Republic.

This decade also acquired in Mexico: Bakeries El Globo, La Corona, Gabi Cookies and Joyce. Bought outside the country: Pan Europe (Guatemala), Los Sorchantes (Uruguay), South Lakes (Chile), Lalo's Bakery (Colombia), and finally Laura, and Plus Vita Nutrella LTDA, the latter one of the bakery companies more large and important in Brazil.

In 2010, specifically three strategic acquisitions: Dulces Vero in Jalisco, Mexico, Hong Jin Wei in China and the U.S. Foods Bimar Finally in November of that year announced the purchase of the bakery division of Sara Lee bakery largest U.S., which as a group Grupo Bimbo Baker worldwide.

In short today Grupo Bimbo has 103 plants worldwide, 42 plants in Mexico, 34 in the United States, 25 in Central and South America and 2 in China. The first quarter reported sales of \$ 29.312 million pesos, an increase of 3.5% over the previous year.

Currently this group has more than 150 brands, the best known are: Bimbo, Marinela, Milpa Real, Aunt Rosa, Oroweat, Entenmann's, Thomas', Boboli, Mrs. Baird's, Barcel, Ricolino, Coronado, La Corona, El Globo bakeries, Suandy, among many others.

All group companies are located in four divisions: Bimbo SA, brings together companies bakers and confectioners in Mexico and Central America, Barcel SA, which integrates the business of snacks and Ricolino, Bimbo Bakeries USA (BBU), serving the U.S. market and Organization finally Latin America (OLA), responsible for operations in Latin America.

ANALYSIS: GRUPO BIMBO

As we can see, the expansion of Grupo Bimbo is the result of significant investments it has made to establish new production plants, strategic alliances and acquisition of companies. His strategy was to acquire or ally with local companies that will offer something in terms of technology or distribution capacity, choosing only those companies that share their values; if the companies did not meet the latter requirement would enter the market from scratch.

One of the key factors that have influenced the success of Grupo Bimbo in the national and international market, innovation is not only their products but to organize the company as the coordination of their plants requires the use computing platforms that support business processes. On the other hand is a company that knows its customers, the distribution network has created allows a more direct and frequent contact with customers, allowing you to identify new growth opportunities and product innovation based on consumer preferences.

In this sense Bimbo has a very important competitive advantage: its ability to reach more distant outlets. Bimbo in our country has to sell their products to an average of less than a mile from each consumer (Grupo Bimbo, 2011). This distribution network is one of the intangibles of the company, which tried to establish the same way in other countries, without a clutch that has found cultural differences that have led to the need to adapt to each country based on their conditions individuals. Finally Grupo Bimbo is a company that just look to expand geographically, also seeks to be a profitable company, which has managed to increase the efficiency of each of its processes. For that seeks to optimize its resources by using technology.

CEMEX

It is a Mexican company initially dedicated to the production and distribution of cement and concrete, but is now a global company that offers products for the construction industry. It began operations in 1906 with Cementos Hidalgo plant in the north. After significant growth for six years, the operation of this company is affected by the Mexican Revolution forced to suspend operations. In 1919, partially resume their operations and not until two years later when the market comes back completely.

Cementos Hidalgo in 1931 merged with its competitor Cementos Portland Monterrey, giving rise to what is now known as Cementos Mexicanos SA (CEMEX). For about thirty-five years, this company has a steady growth backed by the expansion of its plants in the northern region.

Until 1966, decided to venture into the southern part of the Mexican Republic, acquiring in that year the plant Cementos Maya, Mérida. With this acquisition continues to meet demand in this part of country through Portland Cement brand Maya. That same year the new plant starts operation Valles, in order to meet the Huasteca region in Mexico.

In order to expand across the country in 1967 opened a plant in Torreon through brands pozzolanic Portland cement Portland Cement Monterrey and Monterrey; the plant is responsible for meeting growing demand in the Northeast. Plants installed in all regions continue to grow by increasing its production capacity.

In 1973 Cemex acquired Portland cement plant in the Bajío region of central Mexico. 1976 was a watershed for the company as a part begins trading on the Mexican Stock Exchange and on the other side becomes the leading Mexican producer of cement to its acquisition of Cementos Guadalajara.

In 1986 starts joint venture with U.S. cement companies, in order to enter that market. In 1987 acquires Cementos Anahuac. And this year it created a solid team of professionals who are in charge of the integration of acquired companies. It also implements a satellite system that allows you to connect all the facilities of the company (CEMEXNET).

When purchasing your competition, Cementos Tolteca Cement Company in Mexico second in 1989, Cemex became even without significant presence in other countries, one of the ten largest cement companies worldwide.

It was not until 1992, when he decides to start its internationalization process, which starts on the European market by acquiring the two largest cements in Spain: Valenciana and Sanson. Two years later ventures into Central and South America, buying Cemento Bayano in Panama and the company expires, Venezuela's largest cement. Also, the purchase of Balcones cements plant in the United States.

In 1995 Cemex continues its international expansion this time to acquire Cementos Nacionales, the leading company in the Dominican Republic. A year later became the third largest cement company in the world to be part of your company Cementos Diamante and Samper in Colombia.

Not content with its spectacular growth in such a short time in 1997 the largest cement company in Mexico comes to Asia with the purchase of Rizal Cement and APO Cement in the Philippines two years later. That same year, Cemex ventures into Africa by acquiring Assiut Cement Company, one of the leading cement producers in Egypt also buying Cementos del Pacifico, Costa Rica.

Mexican Cement century starts with the determination to consolidate the already developed markets in 2000 purchase Southdown, Inc. in the United States in 2001 and acquired Nicaragua enters Saraburi Cement Company in Thailand. The operation performed in 2005, doubling its size and expanding its market to more than twenty countries, mainly in Europe. This transaction is the acquisition of the British building materials RMC, which according to a press release on September 27, 2004 posted on the website

of the Mexican company and meant a great synergy that will allow the centralization administrative functions, optimization of network marketing, logistics and process standardization.

Far from purchases made by the Mexican company in 2000, implemented an initiative to identify, incorporate and implement standardized best practices within the entire organization (CEMEXway). This initiative consolidates the group that was responsible for the integration of acquired companies.

Finally the integration of the Australian company Rinker Group Limited, the Mexican company consolidates its position as a leader in the cement industry.

ANALYSIS: CEMEX

As we see in the above description Cemex in less than twenty years the company extended global territory through the use of acquisitions, it is surprising success of this instrument through which although not clearly mentioned in its path also has been due to the economic and financial company that manages the.

Cementos de Mexico took advantage of the benefits it gives its sector to grow, among them is the oligopolistic power that exists in the cement industry worldwide and on the other hand the technology needed to get started in this industry.

It is also important to highlight the use of information technology as a key tool for coordination and smooth running of all its businesses. In addition to this we believe that one of the intangibles that this company has is the group of professionals responsible for integrating each of the acquired companies, which we believe has been a fundamental part of their success in geographic expansion.

Finally for this company innovation is also one of its strategies on the one hand to stay ahead in terms of the needs of the construction industry. On the other hand has also allowed it to innovate the production process which has gained efficiency by getting competitive production costs and has remained a profitable company.

For the first quarter of 2011, record gross profit by 963 million dollars and a profit margin of 28.5 percent. Your total debt to 17,059 million dollars estate

Finally, to confirm the success of global expansion strategy we can summarize that has followed it, one of Mexico's most important companies of our country and worldwide presence, has been placed today in 35 countries.

In Central and South America is in Argentina, Colombia, Costa Rica, Dominican Republic, Guatemala, Jamaica, Nicaragua, Panama and Puerto Rico and our trading operations in the Caribbean. In Europe in Austria, Croatia, Czech Republic, Denmark, Spain, Finland, France, Germany, Hungary, Ireland, Latvia, Norway, Poland, Sweden and the UK.

In Africa and the Middle East with operations in Egypt, Israel and the United Arab Emirates Finally in Asia is found in Bangladesh, Malaysia, Philippines, Taiwan and Thailand.

This company has continued growth by taking advantage offered by your industry and geographic expansion strategy. The cement industry has a short chain which facilitates the vertical integration (Torres, 2006). In this sense the location of subsidiaries in places where you can extract the raw material, was one of the strategies for geographic expansion.

Cemex has a presence in other countries by building or acquiring complementary businesses in these markets, this has been done without the need to accept foreign capital. This type of strategy was successful thanks to the short chain of cement, and innovations necessary minimum the oligopolistic structure of this market (Pozas 2002).

According to de Gortari (2005) when Cemex acquisition takes place, first make a review of the country's culture and the target company after that his team, made up of trained professionals in the area of systems, resources human, financial, acquisitions, business relationship management, conducts a comprehensive analysis of the company. If the transaction takes place beginning a process of integration with the aim of unifying the levels of productivity and culture will be outcome. In addition, this company takes advantage of regional economic activity and consumption capacity.

GRUPO MODELO.

Today, Grupo Modelo is the leader in developing, distributing and selling beer in Mexico Founded in Mexico City in the year by 1925.

Since its founding the basis of growth of this company took in two ways, firstly the acquisition of breweries in the country thus acquired new brands and on the other hand the construction of new plants will allow increasing production capacity. In addition to these two pathways, exports have been the tool that this group has chosen to internationalize in markets around the world, which has contributed significantly to its growth.

I make the first acquisition was the purchase of Brewing Company in Toluca and Mexico, Victoria Marks and Pilsener in 1935. By 1954 the brewery acquired the Pacific, Mazatlán, Sinaloa and Brewery Star in Guadalajara, Jalisco. In 1960 he joined the group Northwest Cervecería Modelo, Ciudad Obregon, Sonora.

Exports of beer of Grupo Modelo in 1933 started albeit sporadically, with the first American foreign market.

In 1964 he established the Cervecería Modelo de Guadalajara in 1964 and in 1967 opened the Cerveceria Modelo Torreon. For the year 1979 built the Tropical Brewing Company, located in Tuxtepec, Oaxaca, but starts to operate until 1984.

A strength of this group is the vertical integration that have since not only focused on building new breweries but also worried about the creation of companies that produce the inputs required by the brewer. That is why in 1979 he founded the company Cebadas and Malta Calpulalpan, Tlaxcala and in 1981 the company Inamex Beer and Malta, in Texcoco, Mexico State. In the same year acquired Cervecería Yucatan.

We can say that the internationalization of the Mexican company gains importance from 1985 when Grupo Modelo beer exports start to new foreign markets, this time the beer the company heads to Japan, Australia, New Zealand and some European countries. In 1990 Corona beer is exported to Hong Kong, Singapore, Greece, Holland, Germany and Belgium.

Zacatecas Brewing Company began operations in 1997. That same year, Corona beer stands as the first imported beer in the United States.

In 2006 Grupo Modelo set up an alliance (Joint Venture) with Constellation Brands, a leading international wine and spirits. This alliance creates Crown Import LLC, headquartered in Chicago. Began operations in 2007 and the main reason being is that Grupo Modelo has a single importer in the North American market. That same year he started building another brewery in Nava, Coahuila.

Grupo Modelo currently exports about 6 brands of beer in 156 countries around the world, these brands include: Corona Extra, Corona Light, Negra Modelo, Modelo Especial, and the Pacific.

ANALYSIS: GROUP MODEL

According to the trajectory described by this company, its expansion into territory was through the acquisition of breweries from other companies and the construction of plants characteristic of the group. One of its strengths is its vertical integration which allowed him to strategically integrate companies that provide their own raw materials and packaging. In this sense also has a strategic partnership that gives it mainly American machinery of high technology, which guarantees the efficiency of their processes.

With regard to international expansion, as it says Hitt et al. (2007) companies engaged in the production and marketing of beers have few growth opportunities in its home market, which urges them to offer their products abroad. This was the case of the Mexican company, however as some firms internationalize by acquiring companies in other countries, this Mexican company has achieved its goal of placing their products in different countries of the world only through exports.

Although exports have certain constraints such as less control of the marketing and distribution, this group has dispelled this disadvantage by establishing offices in strategic locations in order to respond in a timely fashion importers, distributors and customers, it also meets the goal of placing products in a strategic model.

When Grupo Modelo decided to venture into new markets, makes a study of the target market considering their economic and cultural conditions, likewise due to their experience have learned to look after intellectual property issues and laws. Finally enter the market with adequate infrastructure in sales, promotion and marketing.

CONCLUSIONS

We conclude that a common denominator in its internationalization strategy between the three companies chosen for this work was to use acquisitions to expand its market. But while two of them, Grupo Bimbo and Cemex, these types of transactions conducted in foreign markets, Grupo Modelo now consolidated its position by acquiring companies in the same business only in the country.

Cemex was the three most dynamic in terms of foreign companies compare in terms of time and quantity.

Among these companies there are common elements that have been present in their internationalization strategies such as innovation not only in products but in new systems of organization. All three make use of information technology for better coordination of all group companies or company.

Despite having a similar strategy, each of these companies differentiates your strategy based on characteristics of the company. On the one hand Cemex has advantages given the sector where, as it is an industry with few producers of cement. On the other hand Grupo Modelo by the type of good it produces, allows you to use exports, it does not require the installation of plants in each market again.

In this study we recognize intangible assets of two companies, which have been a tool that has helped the success of your business. Cemex has a group of professionals responsible for integrating each of the acquired companies, allowing them to be integrated resources, knowledge and learning specific to the company obtained in each market.

One of the intangible assets was recognized of Grupo Bimbo's distribution network which has enabled it to reach a large number of consumers and be at the forefront in meeting the needs of its consumers. Examples of these needs have been a wide range of products more healthy.

Grupo Modelo because it only makes its internationalization through exports, has expanded to a large number of countries through the establishment of offices in foreign markets not only engaged in the marketing and distribution of their products, but also is responsible for positioning your product in strategic locations.

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Appendix

Anexo A. Ranking of the 500 most important companies in Mexico

	Business	Location	Sector	Jobs	Origin of capital	Net Sale (mps)	Operating income (pesos)	Net income (pesos)	Total assets (million pesos)	Total liabilities (camera)	Equity (million pesos)
1	Mexican Petroleum	DF	Petróleo y gas	147,294	MX	1,094,155.00	476,812.30	46,137.30	1,332,037.20	1,398,877.20	66,840.00
2	American Mobile	DF	Telecomunicaciones	55,627	MX	394,711.00	104,209.00	76,913.50	453,008.00	275,102.40	177,905.60
3	Walmart of Mexico	DF	Comercio autoservicio	176,463	EU	270,451.20	22,268.50	16,806.10	133,139.20	49,991.40	83,147.80
4	Commission of Federal Electricity	DF	Electricidad	83,812	MX	220,034.00	39,818.00	1,185.00	803,044.00	422,342.00	380,702.00
5	Carso Global Telecom	DF	Holding	77,729	MX	209,539.10	44,035.20	16,004.70	369,790.20	244,966.20	124,823.90
6	Cemex	NL	Cemento y materiales	47,624	MX	197,801.00	15,833.30	1,409.20	582,647.30	326,288.80	256,358.50
7	Fomento Mexican Economic	NL	Bebidas y cervezas	127,179	MX	196,103.00	27,012.00	15,082.00	211,091.00	95,262.00	115,829.00
8	Telcel	DF	Telecomunicaciones	17,347	MX	142,362.20	69,154.00	0.00	0.00	0.00	0.00
9	Grupo Financiero BBVA-Bancomer	DF	Servicios financieros	32,568	ESP	137,709.20	26,955.60	21,612.40	1,107,779.50	993,065.50	114,714.10
10	Telephone of Mexico	DF	Telecomunicaciones	52,586	MX	119,100.20	52,315.00	20,468.70	178,355.40	140,034.60	38,320.80
11	group baby	DF	Alimentos	102,000	MX	116,353.00	12,054.00	6,081.00	96,713.00	55,756.00	40,957.00
12	Alfa group	NL	Holding	52,384	MX	115,632.00	8,762.00	2,020.60	108,088.00	71,729.40	36,359.30
13	Group Financie	DF	Servicios financieros	40,000	EU	115,535.20	21,595.00	18,755.70	1,124,690.00	967,893.00	156,797.00

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1 4	General Motors of Mexico	DF	Armadora	11,00 0	EU	110,422 .00	0.00	0.00	63,897. 00	52,449.00	11,4 48.0 0
1 5	Coca- Cola FEMSA	NL	Bebidas y cervezas	67,42 6	MX	102,229 .00	15,835. 00	8,970. 00	110,661 .00	42,189.00	68,4 72.0 0
1 6	Telmex Internati onal	DF	Telecomunicac iones	24,76 9	MX	92,540. 10	11,051. 80	9,104. 50	174,300 .70	74,815.80	99,4 85.0 0
1 7	Volkswa gen of Mexico	Pue .	Armadora	14,25 5	ALE	92,531. 30	58.00	203.5 0	47,736. 90	25,410.90	22,3 26.0 0
1 8	Nissan Mexican a	DF	Armadora	0.00	JAP	90,000. 00	0.00	0.00	0.00	0.00	0.00
1 9	Organiz ación Soriana	NL	Comercio autoservicio	76,80 0	MX	88,637. 30	4,584.0 0	2,868. 30	65,725. 40	33,794.90	31,9 30.5 0
2 0	Grupo BAL	DF	Holding	39,30 3	MX	88,045. 00	12,177. 00	7,836. 00	145,460 .00	90,511.00	54,9 49.0 0
2 1	Ford Motor Compan y	DF	Armadora	7,700	EU	86,000. 00	0.00	0.00	0.00	0.00	0.00
2 2	Grupo Modelo	DF	Bebidas y cervezas	36,70 7	MX	81,861. 60	21,730. 00	8,630. 00	117,362 .20	21,129.80	96,2 32.5 0
2 3	Infonavi t	DF	Servicios financieros	3,966	MX	67,906. 00	4,575.0 0	11,16 8.00	599,403 .00	539,718.0 0	59,6 85.0 0
2 4	Grupo Carso	DF	Holding	70,37 7	MX	66,035. 60	9,073.6 0	7,339. 40	97,677. 50	37,980.30	59,6 97.3 0
2 5	Chrysler México Holding	DF	Armadora	6,200	EU	65,800. 00	0.00	0.00	0.00	0.00	0.00

Source: extracted from the ranking of 500 most important companies in Mexico, CNN Expansion.

Annex B. Annex B. Forms of internationalization

Modes without capital			
		advantage	disadvantages
export	direct	<ul style="list-style-type: none"> • Control distribution • Economies of scale 	<ul style="list-style-type: none"> • High transport costs • Little control over marketing • Trade barriers (tariffs)
	indirect	<ul style="list-style-type: none"> • Focus on production • Do not pay the export process 	<ul style="list-style-type: none"> • Menor control de distribución • Desconocimiento del mercado extranjero
Acuerdos contractuales	Licenses / franchises	<ul style="list-style-type: none"> • Low expansion • Low risk • How to expand yields based on previous innovations. 	<ul style="list-style-type: none"> • Little control technology and marketing • Ability to create competitors • Low Income
	Projects ready for operation	<ul style="list-style-type: none"> • Ability to gain technology from countries with restricted FDI 	<ul style="list-style-type: none"> • Ability to create competitors • Lack of long-term presence
	Contract R & D	<ul style="list-style-type: none"> • Ability to access the best technologies at low cost 	<ul style="list-style-type: none"> • Difficulty negotiating • Risk of causing competitors • Loss of innovative capacity
	joint marketing	<ul style="list-style-type: none"> • Ability to get more customers 	<ul style="list-style-type: none"> • Coordination Limited
Modes that involve capital			
		advantage	disadvantages
joint Venture	joint Venture	<ul style="list-style-type: none"> • Risk sharing • Access to new assets, knowledge and skills 	<ul style="list-style-type: none"> • objectives and interests between partners • Heritage Limited • Difficulty coordinating globally
Wholly owned subsidiaries	Greenfield operations	<ul style="list-style-type: none"> • Total Ownership • Control operations • Protection of knowledge 	<ul style="list-style-type: none"> • Political risks • High development costs • Speed slow entry
	acquisitions	<ul style="list-style-type: none"> • Input speed • Do not add new capacity 	<ul style="list-style-type: none"> • Add new capacity • Political risks • High costs • Low speed • Integration Issues

Source: Authors' calculations based on data from Peng, 2006 and Hitt et al. 2008.