

# The Oak North Bank's expansion in Romania

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## Introduction

Oak North Bank provides saving and loans for small and medium business in the UK. Was established and received regulatory approval in 2015 and set up a London headquarters.

This presentation will provide:

- a brief description of Romania and UK business environments
- the difference between two strategies using PESTLE, application of Porter's five forces
- the differences between the business environment of the United Kingdom
- evaluation of opportunities and challenges.

Developing country, Romania

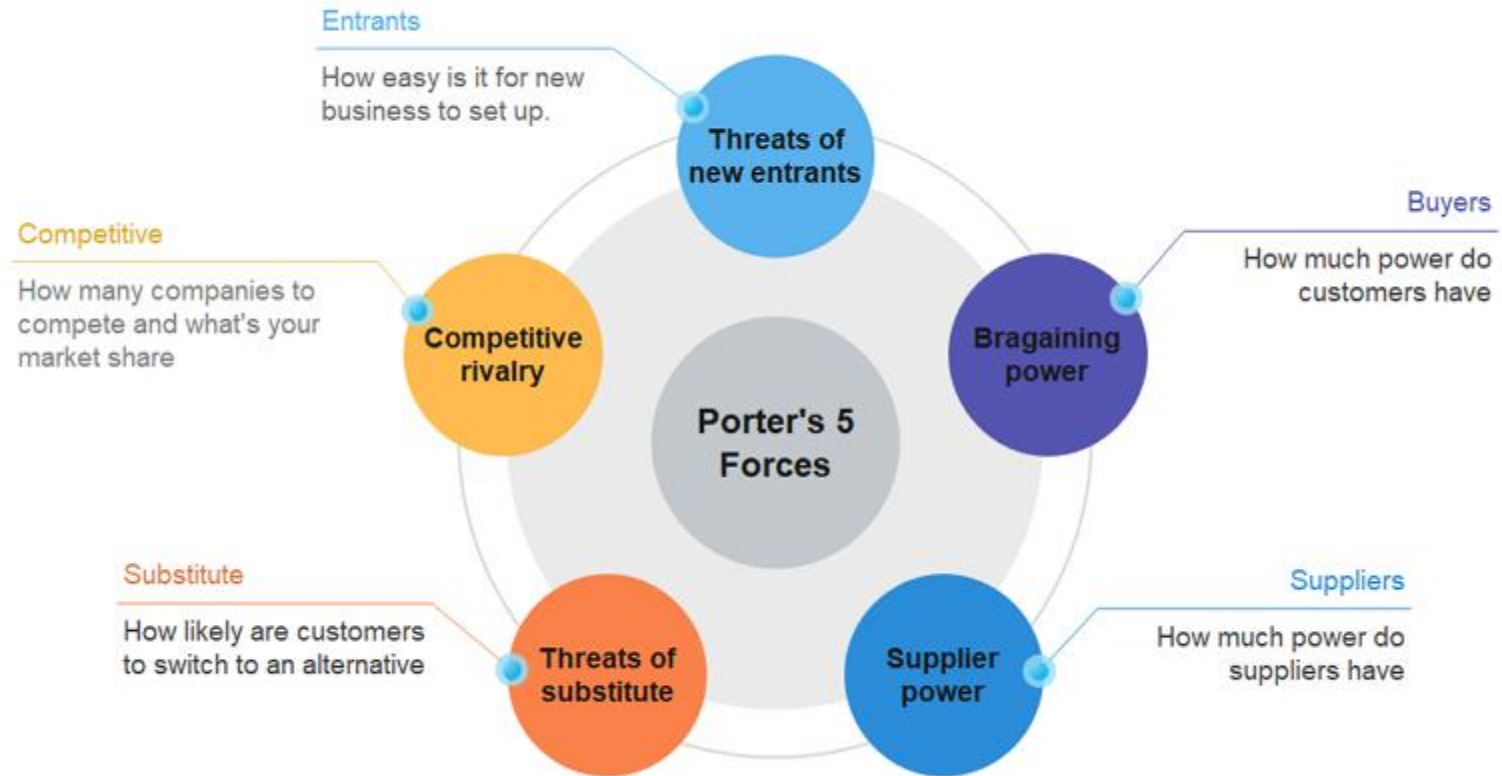
According to the World Bank, Ease of Doing Business Report (2020), Romania was :

- ranked 55th out of 190 economies with a score of 73.3 out of 100.
- starting a business in Romania takes 20 days with six procedures
- ranked first globally, with a perfect score of 100
- ranked 32nd with a score of 85.2 out of 100
- ranked 25th on the getting credit parameter with a score of 80 out of 100.
- ranked 12th in the European Union

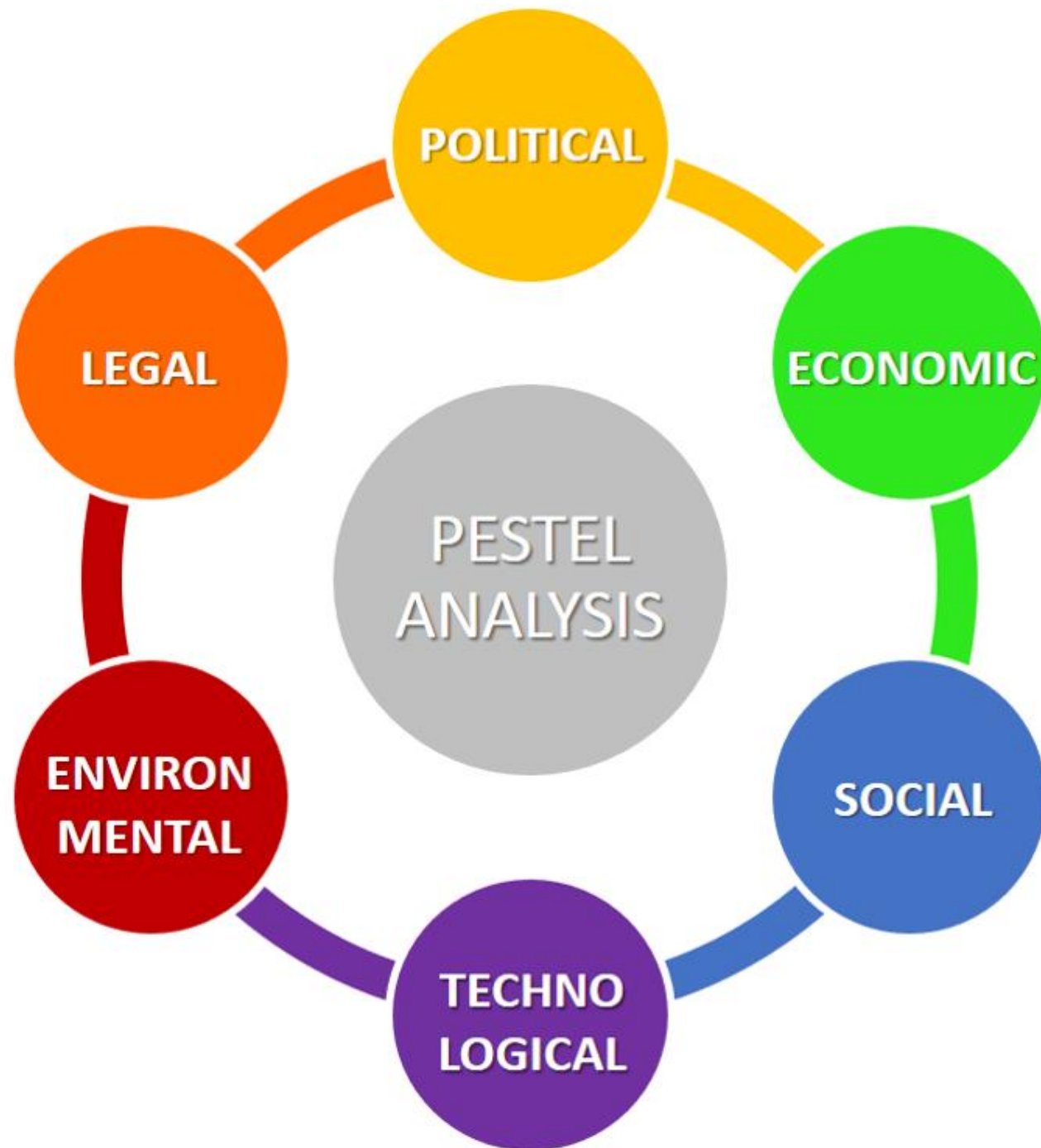
Romania welcome foreign investment and helps in allocating resources according to their needs.

Developed country, United Kingdom

- The economy of the United Kingdom (UK) is a highly developed social market economy
- It is the 6th-largest national economy in the world measured by nominal gross domestic product (GDP)
- tenth-largest by purchasing power parity (PPP)
- 22th-highest by GDP per capita, constituting 3.3% of nominal world GDP.



- According to (Porter, 1997) "The seriousness of the threat of entry depends on the barriers present and on the reaction from existing competitors that entrants can expect
- The power of all the important supplier or buyer group depends on several characteristics of its market situation and on the importance of its scale or purchase on the industry compared with its overall business (Porter, 1997).
- Competitive rivalry is a measure of the extent of competition among existing firms
- According to Porter, (1997) The existence of products outside of the realm of the common product boundaries increases the propensity of customers to switch to alternatives



| P                                                                                                                                                                                                                  | E                                                                                                                                                                                                                  | S                                                                                    | T                                                                                            | L                                                                                                            | E                                                                                                                                                                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Political                                                                                                                                                                                                          | Economic                                                                                                                                                                                                           | Social                                                                               | Technological                                                                                | Legal                                                                                                        | Environmental                                                                                                                                                                        |
| <ul style="list-style-type: none"> <li>Increasing political focus on healthcare</li> <li>Global governments look for healthcare savings</li> <li>Britain voted to leave Europe causes political turmoil</li> </ul> | <ul style="list-style-type: none"> <li>Increasing labor cost</li> <li>Inflation</li> <li>Consumer confidence is low</li> <li>Low fuel prices and interest rates helps promote growth in market capacity</li> </ul> | <ul style="list-style-type: none"> <li>Increasing attention in healthcare</li> </ul> | <ul style="list-style-type: none"> <li>Opportunity Advertise through social media</li> </ul> | <ul style="list-style-type: none"> <li>Hailu World Pharmacy was fined \$450m for pollution issues</li> </ul> | <ul style="list-style-type: none"> <li>Adverse weather condition causes the temporary suspension of some factories</li> <li>Growing attention to environmental protection</li> </ul> |

The differences between the business environment of the United Kingdom and Romania

- The environment can vary from one country to another
- The UK has a different business environment as compared to different country (Pisani et al. 2017)
- They have different economic structures, scalability, resource allocation, recruitment, and selection criteria, the motivation behind innovation and creativity, and many more
- The Romanian business environment is different from the UK
- They have punctuality in their work so that Oak North Bank gets every update related to their performance on time
- Advanced technology helps in building the business and effective skills of the employee will support the growth of the nation and bank

## Evaluation of opportunities and challenges

- Evaluation of opportunity
  - New ideas
  - Innovative skills
  - Collection of rules and regulations
  - Protocols
- Evaluation of challenges:
  - People
  - Purpose
  - Process
  - Performance

## Business strategy

- Business strategy is an effective way of developing the business (Kumar Raja Vanapalli, Hari Bhakta Sharma,Ved Prakash Ranjan,Biswajit Samal, 2021)
- Oak North Bank developed an application for customers so that they can take care of their amounts, saving, and transaction details anywhere with inquiry facilities
- They to make their unique identity and focus on their competitors if they launch any other schemes
- They take care of the customers, implementing the application and software like this so that customers can feel free to choose Oak North bank services.

## Cultural sensitivity

- breaking down the cultural differences and reducing the complexity of the language barrier
- one official formal language to communicate
- work around cultural customs
- the division of employees
- have a combination of diversity of cultures so that cultural issues can not affect the working style
- multicultural sessions and workshops
- know the values of other cultures

## Analysis the challenges

- Cultural difference
- Management of a global team
- Universal payment method
- Barrier faced in foreign business.

## Conclusion

The challenges such as language, cultural differences, currency exchange, inflammatory rates, and universal payment methods that must face for establishing an international business have been defined here in the assignment

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