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Y Drindod Dewi Sant
University of Wales
Trinity Saint David

The opportunities and risks of moving Ted Baker's production to Romania

Module Name: GLOBAL BUSINESS ENVIRONMENT

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Student Name: VEACESLAV STANCIU

Student ID: 2131027

Presentation purpose is:

- To discuss the possibility of moving Ted Baker's production facilities from the UK (developed country) to Romania (developing country).
- To talk about the differences in business environmental factors and how this could impact this project idea.



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ABOUT TED BAKER:

T E D B A K E R
L O N D O N

- It is recognised as one of the fastest-growing leading lifestyle brands in the UK.
- It has been founded in 1987 in Glasgow, Scotland.
- It provides a range of collections including menswear, womenswear, footwear and much more.
- It Has stores in different countries, such as Hong Kong, Singapore and Dubai (Ted Baker, 2022).

Challenges:

- The biggest challenge for this project idea is **Brexit**, UK left the European Union in January 2020.
- This made the ***process to be delayed with extra costs*** - According to the Evening Standard (2021), Ted Baker has suffered losses because of Brexit, such as extra paperwork, products held in customs and VAT costs in the EU supply chain.

Challenges continuation:

- ***Frequent legislative change*** - Regulatory Impact Assessments (RIAs) are very rare and laws can change with little notice (International Trade Administration , 2022)

Opportunities:

- cheaper ***cost of raw materials***
- more ***accessible import and export*** of the goods to and from EU countries
- **cheaper skilled labour force** - the Romanian labour force is young educated and embodies a culture of commitment and integrity (Romania Experience, 2017)



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Opportunities continuation:

- ***Strategic location*** - Romania is located at the border of the Black Sea. This provides to Ted Baker geographic advantages such as to gain foothold in eastern Europe and beyond, to reduces the distance for export sales to Turkey, the Balkans, the Middle East, Ukraine, and Moldova (Romania Experience, 2017)



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Opportunities continuation:

- Romania's **trade connections** extends into central Europe, the Commonwealth of Independent States, Russia, and the Middle East. This representing a market of tens of millions of consumers which can benefit Ted Baker's expansion (Romania Experience, 2017)



Conclusion

- The research showed that moving Ted Baker's production facilities to Romania comes with some good opportunities but also some challenges however, these can be minimized with a good elaborated market entry strategy.
- Also, presentation it emphasised that before opening any business in any country is extremely important to use tools to analyse environmental factors such as PESTLE analysis this way is easier to find those opportunities and risks.



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Thank you all for your attention



Reference List

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4. The Evening Standard (2021). *Ted Baker anticipates £5m Brexit costs as fourth quarter sales decline*. Available at www.standard.co.uk/business/leisure-retail/ted-baker-brexit-b919376.html [Accessed: 2 August 2022].