ABSTRACT
A good strategy brings the business to a place of good fortune before the environmental changes settle down. It needs an appropriate strategy to direct a company to achieve its corporate objectives under current environments with rapid changes and drastic competition. Internationalization has become one of the most important strategies, of which strategically selecting locations means doing the right thing at the right time and the right place.

Due to the restrictions of Island Economy in both small acres lacking of natural resources and tiny domestic market with limited demand, Taiwan business has to rely on importing raw materials, transforming them into finished goods and exporting worldwide. Expanding international market is vital to the growth of Taiwan economy. The evolution of internationalization has become the necessary trend for the business in Taiwan to follow its government policies of liberalization and internationalization to establish Taiwan as the Asia-Pacific Operations Center.

This research adopts a case study approach using X strategic business unit of A Electronic Incorporation as an example. It investigates the strategy of X SBU, internationalization strategies and process including the encountered troubles, problems and results. This study analyzes and induces the primary data from the author’s management experience cited with related literatures and integrates some useful propositions and suggestions in business language for the managers and researchers.

This thesis explores the internationalization strategies of Taiwan enterprises and concludes as follows:

1. Strategic planning is the process that formulates an organization’s objectives and goals to develop its long-term plans by integrating its resources into a unique and viable posture based on its relative internal strengths and weaknesses, anticipated instant and drastic changes in the environment. A well-formulated strategy will marshal a company into success.

2. Internationalization strategies conduct the activities in other countries to integrate the global resources to continue an enterprise’s competitive edges by compensating its shortcomings with other strengths.

3. The evaluation criteria for selecting operational locations in the process of internationalization include (1) local industrial conditions (2) local monetary situations (3) costs of lands and factory buildings (4) transportation and public facilities (5) labor and supervisory costs (6) managers and skill workers (7) incentive system (8) market size (9) government regulations (10) living conditions. There is a different weight for each factor involved in decision-making process due to different functional considerations.

4. An internationalized company can no longer operate effectively based on traditional organizational structure. It usually adopts mixed structures or matrix structure.

5. The headquarter and its subsidiaries must operate independently and cooperatively. The subsidiary companies run the business in accordance with the corporate policies and the headquarter must be able to initiate excellent global strategies to develop new management capabilities (including new products, new technology and innovative managerial skills, etc.), to control core technology and to integrate its global resources in order to become a real multi-national enterprise.

6. Employing the growth strategy, a company can shift its production operations to an under-developed country for producing the products at post-maturity stage of product life cycle to create another peak for the products and to keep the organization growing.

7. Employing the technology transfer strategy, a company can increase its profits and finance corporate R&D activities.

8. The employment policy for the overseas subsidiaries encourages that it recruits local people except key managers which are usually assigned by the corporate headquarter. The company should have a goal career plan for these key managers and offer the overseas employees with reasonable wages, good benefits, training programs and sound system to keep talented people.