Chapter 5
The Role of Financial Communication Under the Chaos Environment: A Case of TEMSA Company

Ipek Tamara Cetiner Öztürk
Istanbul Medipol University, Turkey

ABSTRACT
As globalization becomes a necessity for organizations to continue their sustainability and existence in the world, naturally their interdependencies to other economies also emerge. After the 2008 economic crisis, TEMSA, a Turkish family-owned company operating in the transportation industry, decided to expand its products and manufacturing plants to different regions. Egypt, for the time being, was geographically a well strategic location for TEMSA’s long-term manufacturing plans. In 2011, when the Arab Spring broke out, TEMSA found itself in the middle of chaos, challenged by external political and economic decisions. This chapter focuses on the case study of TEMSA Global as they entered the Egyptian market with a foreign direct investment and managing chaos between the years 2011-2012. An interview was conducted with the management team on duty at the time to collect data. As a result, it was observed that TEMSA potentially had a chance to continue its operations in the Egyptian market if the Arabian Spring had not happened. Chaos is a potential enemy for FDIs as they seek stability.

INTRODUCTION
As technology develops and transforms people, companies, and even governments want to aim higher and expand limits (Dinçer, Yüksel, Adalı & Aydın, 2019; Yüksel, 2017). It is much easier to communicate with the world as technology and innovations create great opportunities (Dinçer, Yüksel & Martínez, 2019; Dinçer, Yüksel & Çetiner, 2019). In the last decade, technology and mainly the Internet has visited everyone’s home, creating more demands from a customer’s perspective. Just like any other change in

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history, organizations have to adapt to the fast speed of wants and needs of their customers (Dinçer & Yüksel, 2018a).

The world has diverse needs and therefore companies try to keep up to date with the ongoing change. Companies, which operate in limited economies eventually, seek for international markets to expand (Ciravegna, 2018; Dinçer & Yüksel, 2018b). Some take on the risk depending on their resources and hopefully strategically plan their globalization journey (Dinçer, Yüksel & Pınarbaşı, 2019). When companies decide to enter the international markets, some critical steps are required be taken in order to guarantee strategic positioning (Dinçer, Hacıoğlu & Yüksel, 2017). The initial stage is to analyze the external environment of the host country (Kucuksuleymanoğlu, 2008; Dinçer, Yüksel & Adalı, 2019). Depending on the vision of the company, and the macro/micro factors, organizations can shape how and when they will enter the international market. Although sometimes it is not possible to foresee situations, especially political events, companies still take the potential calculated risk by directly investing in a foreign developing country (Tunay et al., 2019).

Foreign direct investments (FDI) along with different alternatives to enter international markets seems to be the most effective approach (Calabrese & Manello, 2018; Adali & Yüksel, 2017). After World War II, countries tend to be very skeptical in regards to FDI (Dinçer, Hacıoğlu & Yüksel, 2018). It was viewed as a trap to colonialism, especially in developing countries (Tandircioglu, 2003; Zengin et al., 2018). Therefore, it could be said that countries were reluctant to the idea of outside investments (Yüksel et al., 2017). However, technology developments and the need to catch-up with globalization changed perspectives in both developed and developing economies (Jain, et al., 2018; Uzunkaya et al., 2019; Dinçer et al., 2019). Eventually, governments needed to compete to strengthen their economies to sit on the powerful platform. According to Cinko, there are different motivations of FDI (See Appendix 1 Table 1).

When TEMSA, a Turkish family-owned company, decided to go global, foreign direct investment was an effective choice in the emerging markets such as, Africa and the Middle East. High profitability and low expenses were very appealing in Egypt along with custom contracts between Turkey and Egypt. Also, geographically Egypt was strategically beneficial as they planned to manufacture in Egypt and distribute to North African and the Middle Eastern countries. With their headquarters in Istanbul and manufacturing plant in Adana they had been operating in the Turkish market for over 40 years when they decided to enter the African market. Their know-how, technology, and resources were sufficient to compete in the global market and create employment in the region. Just like any given organization TEMSA used various models such as Porters 5 Force Model and the TOWS to analyze and strategically position themselves in the market.

FOREIGN DIRECT INVESTMENTS AND TEMSA GLOBAL

In 1980, when Mitsubishi entered the Turkish market they licenced their products only for the specific market thru TEMSA. During the recession in 2001, TEMSA also got affected with internal sales and needed to find different markets to expand. According to Calabrese and Manello (2018), it is appealing to become a global company to both compete in their given industry and have an input in the economic growth. The Turkish market would not be sufficient for the long-term objectives the company had, and therefore needed to globalize the organization to sustain existence. Due to the licensing restrictions, TEMSA was not permitted to operate elsewhere under the Mitsubishi brand. Also, one other restriction
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