

A GUIDE TO

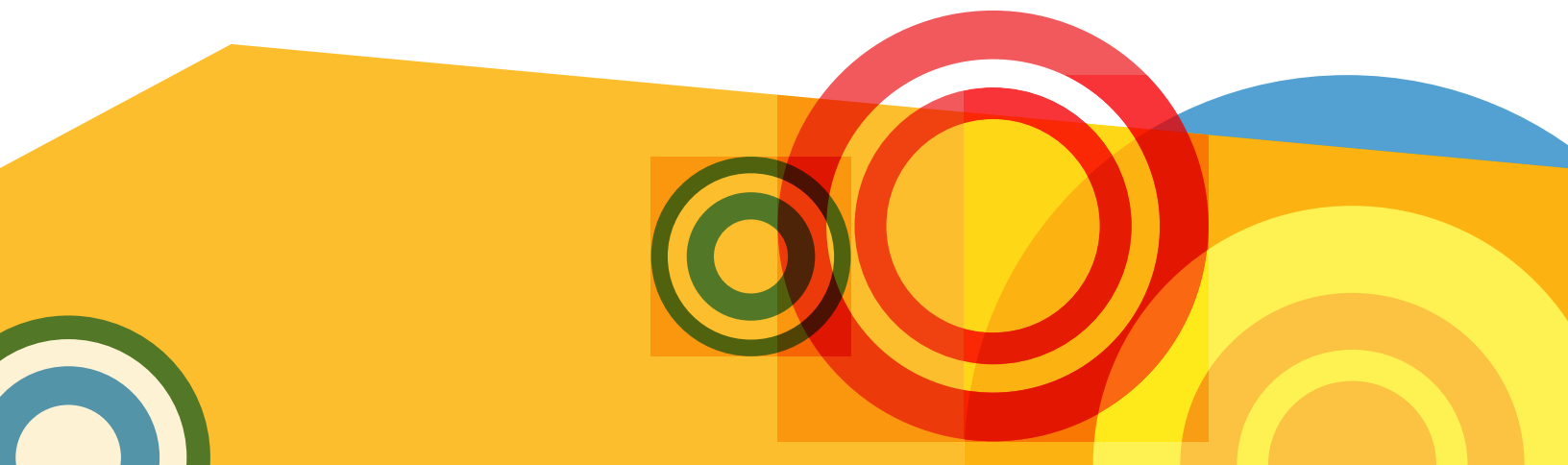
GLOBAL EXPANSION

FOR HIGH-GROWTH APAC COMPANIES

**5 PILLARS OF SUCCESSFUL
INTERNATIONAL EXPANSION AND
KEYS TO BUILDING THEM**

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INTRODUCTION

If your business is in the Asia Pacific (APAC) region, chances are your sales are booming. Companies of all sizes and stages, from startups to well established brands, have experienced significant growth in recent years. And why not? With a rapidly expanding middle and upper class and tech-savvy population, APAC is primed to fuel the type of hyper growth companies yearn for.

But for those companies looking to expand beyond APAC, what's next? Regardless of its market potential, there's an inherent ceiling when focused on a single region. Whether you feel you've topped out or just want to accelerate growth by replicating success in additional global markets, you have some serious decisions to make. Regardless of your past experience or success in expanding beyond APAC, it's natural to have some reluctance or concerns about heading down that path.

..... We Can Help

The world has experienced enormous economic expansion in every corner of the globe, with each region offering unique opportunities and markets. We've worked with, and guided many APAC-based companies as they pursued expansion plans targeting Europe, the United States and more. As a result, we've seen firsthand the tremendous growth.

The U.S., for example, is in the midst of its single longest period of economic expansion (10+ years) in its history. In 2018, the country's real GDP increased **4.2 percent**, and personal income rose in the same timeframe. What's more, U.S. consumer spending reached an **all-time high of 1.3 billion** USD in the same year. And, the country ranks among the top three of the world's internet users, boasting just over **312 million**.

If significant growth is part of your near-term business goals, it's hard to imagine neglecting a region with such outstanding market potential. There may be other countries and regions around the world that present equally compelling opportunities, so now might be the perfect time to consider (or reconsider) global expansion.

..... Where Do You Begin?

It can feel overwhelming, to say the least.

In order to successfully expand your business operations from APAC to regions like the U.S., Europe and beyond, there are some key pillars that must be considered. In this guidebook, we'll cover each one of these pillars that deserves your attention as you prepare for this journey.

5 PILLARS OF SUCCESSFUL GLOBAL EXPANSION

PILLAR ONE

Expansion Ally: Finding the Right Partner

If you've tried to expand globally on your own, you're well aware of how hard it can be. Without an experienced partner, your vision can quickly become costly and one wrong move can spell failure. But it's not always easy to trust an external company with the business you've built, so you might be hesitant to engage with one. This is why, at Conectys, we become a true extension of our customers' teams. **The best part is, we've helped other successful APAC companies expand globally. And we can help you too.**

Did you know?

- 🎯 Outsourcing your customer and technical support to a specialized provider will save you not only time to market, but also significant costs. The right outsourcing partner will listen to where you're coming from, understand where you want to go and know what opportunities lie ahead. They'll guide you step by step through the expansion process and put together an outsourced team that will act as a seamless extension of your in-house staff -- a team that will promote your brand and delight your clients with each interaction.
- 🎯 Because of our years of experience, we leverage better resources and achieve success for a fraction of the effort it would take most companies to complete their market research alone. We have extensive experience scaling businesses around the world, in industries including Banking & Financial Services, High Tech & Communications, Healthcare & Pharmaceutical, Entertainment & Gaming, Manufacturing, Retail & Consumer Products, Energy & Utilities and Travel & Hospitality.
- 🎯 With multiple sites in strategic locations around the globe, Conectys has access to multilingual talent with much shorter recruitment lead time. We also rely on processes that have been honed over years of success. Additionally, your operations will benefit from the latest technology when you work with a partner that constantly develops innovative software to keep up with its clients' needs in multiple markets.



By partnering with Conectys, you have a much better chance of rolling out your product or service internationally and without delay.

PILLAR TWO

Communication is Key: Multilingual Skills

It can be hard to navigate important business conversations even when all parties are speaking the same language. But a legitimate language barrier can slow, or even stall, your progress altogether.

You could hire a translator. But if you're using someone unfamiliar with your particular business, industry or market, they could misconstrue (or completely miss) key points of discussion. There's also a lot to be said for cultural understanding. If your translator knows the language, but isn't aware of common business etiquette in that country, they (and by extension you) could inadvertently end up alienating some potential partners, vendors or customers. Native and knowledgeable language speakers are far more qualified to carry out business on their client's behalf than someone who can simply translate.

So, how can you bridge a language barrier if you yourself don't speak the language? We've found the best way to work with a partner that already has people in the region, or people who are well-versed in the language and the culture. This way, you can tap into their expertise and be advised in an informed and reliable way. And, you can trust that the conversations you have will be relayed accurately between all parties.



..... PILLAR THREE

It's Who You Know - And What You Know: Regional Expertise

Solving the language barrier is important, but in and of itself won't make your expansion efforts successful. Regional expertise, beyond linguistics, is necessary to avoid running afoul of cultural traditions, non-official holidays, business decorum and religious observances.

When you work with experts who have already done business in the area, you have a partner who has this type of knowledge. They've negotiated deals, worked through finding the right piece of local real estate, handled licensing contracts, experienced the ins and outs of project planning and have their fingers firmly on the pulse of regional business rules and regulations. Someone with this much regional expertise is also able to tell you which locales are best for your particular needs, whether innovation-friendly local laws, well-educated talent, up-and-coming technology or something else entirely.

Conectys can help you connect your business goals with each step of your expansion because we have already done it.



..... PILLAR FOUR

People are Power: Finding the Right Talent

When you have a successful business, you already know how important your people are. The talent you choose, and the leadership team you put in place, are the backbone of your business. Naturally, your global expansion efforts will require the same attention to employee talent, training and retention as before.

There are a few key decisions to make when it comes to the personnel involved in your global expansions:

- ☛ Are you going to send someone from your existing team to live in the new location and manage it onsite?
- ☛ Are you going to put someone new in that managerial position?
- ☛ How will you staff your new location, and at what pace?
- ☛ What will you do when you need more staff sometimes, and not as much at other times?

There are no singular, “right” answers to these questions, but they are things that must be explored in-depth before moving forward. If you need to find and recruit talent in a new market, it’s always best to work with someone local - or at least someone with experience hiring in the region.

It’s also important to prepare for the inevitable time when you need to staff up quickly. We’ve seen numerous times with clients who expand internationally, and our ability to hire and train hundreds of people in a short amount of time has saved them considerable time, effort and resources. We continually improve our recruiting and training processes, so we’re always ready to offer you top talent with high retention rates. This ensures consistency and productivity for you during what would otherwise be a costly, frustrating and slow process. Alternatively, if you need to reduce your staff down the road due to seasonal demand or other fluctuations, we can help with that as well.



..... PILLAR FIVE

Nothing Sustainable is Built in a Day: Intentional Infrastructure

The final pillar, which is arguably one of the most crucial, involves your systems and business processes. Infrastructure requirements are expansive and will ultimately depend on your specific company, industry and business model. However, there are some components that tend to be ubiquitous:

- 🎯 Business framework
- 🎯 Technology stack
- 🎯 Legal support
- 🎯 Human resources

Think back to when the company was first launched. A business plan was created that included market research, business models and all the other supporting elements that got the business to its current stage. When you expand internationally, you need to take a similar approach. The infrastructure you put in place will be your foundation for getting traction in new locations.

Your business framework is basically your business model. Are you a B2B technology company with multiple sales channels? Or are you a B2C hospitality brand sells direct to the buyer? Naturally, your business model will look very different depending on your answer.

Your technology stack is another crucial part of your business framework. If you're already successful in APAC, chances are good your technology architecture is well-built and able to scale without much trouble. However, entering a new market still requires you review your entire technology stack, and decide which systems will be needed to support the business in the new location. You may be surprised to find that you'll need a different technology strategy for a certain region, or that security regulations are not the same as they are in APAC.

Legal support is pretty self-explanatory, but it's something that should be prioritized as you go global. Some countries have laws and regulations that others do not, and you can find yourself in a world of hurt if you don't abide by each specific region's legal requirements. One recent example of this is the General Data Protection Regulation (GDPR) that Europe passed this year, which imposes stringent and specific regulations and massive fines on companies operating in the EU who are found in violation.

A good way to handle this part is to talk to us at Conectys - we can connect you with a local, well-established legal team in your new area to make sure you've taken care of everything you need to from a legal aspect to be successful.

Finally, human resources (HR) should be included as part of your business framework. As mentioned above, your leadership team and the talent you employ are the core of your company. You need to make sure you have infrastructure in place to ensure their journey with your company is smooth, legally sound and rewarding. Even if you have HR policies already in place, they may need to be adjusted or even reworked entirely as you take them from your APAC-centered business and apply them to your new location.

This should encompass everything from employee procedures, workflows, training, compensation, rewards and recognition, retention and succession planning. As always, it's best to get local and experienced insight into making this part of the infrastructure effective and tailored to the new region to which you're expanding. We can help you do that.



----- COSTS TO KEEP IN MIND -----

While we've covered the five pillars for global expansion, there's one more important factor to delve into: costs. Of course there will be a lot of resources required to expand globally, but there are a few expenses you may not have thought about yet:

- 🎯 Regulatory approvals can cost a lot, and are often an issue in healthcare and fintech.
- 🎯 Product localization can end up costing you a lot, by way of new content and data sources, language translations, etc. This can include legal fees, marketing in the new regions and the cost of talent recruitment, onboarding and training.
- 🎯 Pricing presents a unique set of opportunities (or threats). You may be able to charge a certain amount for your products and services in APAC, but that doesn't mean you can or should simply plug those numbers into a currency converter and use them in your new locale. Work with a qualified partner like Conectys to find the pricing sweet spot in your new area, so you won't set your prices too low and cut into your margins, or drive away customers by setting them too high.

NEXT STEPS

Global expansion can be an exciting and challenging stage in a company's life. It's an immense undertaking with significant cost implications - and potential payoff. And while there are numerous approaches you could take, the five pillars outlined above are a great starting point based on what we've learned from successfully guiding other APAC companies in their global efforts.

If you find yourself with questions or in need of an outsourcing partner, we would be more than happy to talk with you and tell you more about how we can help.

We wish you the best of luck with your expansion plans!

Contact our team with any questions:

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