

How do I expand my UK business overseas?

You've thought of a business idea, launched the company and created a solid UK customer base. But what is the key to success when growing an overseas presence?

Temps de lecture : minute

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Birmingham Enterprise Community (BEC) is an organisation that supports a global community of entrepreneurs and businesses through programmes and initiatives that offer from the concept phase through to creating a startup all the way through to supporting high-growth scaleups.

Maddyness UK spoke to BEC's Daniel Evans, CEO, and Omran Al-Habbal, chief operating officer about the benefits of working with a business like BEC when expanding a business abroad and the steps needed to create a successful expansion.

What should a UK business consider before attempting growth abroad?

First and foremost, you need to think about what other markets experience the same problem that you have been trying to solve here. This may give you a sense of which markets could be the right ones for you to enter.

One of the key concepts to consider here is 'psychic distance', which looks at the perceived social and cultural differences between 'home' and

a foreign market. Higher psychic distance – where the perception is that the difference is large – may require higher levels of localisation to make entry success more difficult and add to costs.

However, the growing global connectivity has seen the world go through a partial homogenisation of culture and society, which has given space for universal concepts to thrive such as those delivered by global players like Netflix, Amazon, AirBnb, and Uber with minor local adaptations.

The second major factor is around the regulatory and financial requirements of expanding to a new location. This will include export costs for products, setting up a new entity, dealing with IP protection in the new location, learning new requirements around staff, reporting, accounts, and data protection, just to give a few examples.

The UK is very fortunate to have a simple and quick system for setting up a business, reporting annual accounts and so on, but this is not the case in many countries. Depending on how different the market is, you may find yourself having to comply with multiple sets of rules when operating internationally.

What steps should a business take when first moving towards launching overseas from the UK?

Let's say you have decided on a market in which you think you could launch in. One of the first steps we would recommend is to find another business who has made this move and ask them how they found the experience. After all, no one knows about what something is like more than those who have actually done it.

We would also suggest doing your own research and gathering data. Just like you would have done when you started as a business, you need to learn about the market: what are the opportunities and what are the threats you need to avoid?

The next step would be to see if you have existing partners at home who are able to support your overseas growth. An obvious one in the UK will be talking to the Department of International Trade, as well as any parts of your local chamber of commerce who deal with international relations.

For example, here in Birmingham we have both a Commonwealth Chamber and a Transatlantic Chamber of Commerce that businesses can tap into. These organisations may also have a counterpart in the chosen market who can further support.

There may be business support organisations within the chosen market who have support on offer, but you must check whether they are actually able to support businesses looking to enter the market from overseas or if they are only able to offer support to local businesses.

Finally, the business should speak to global entrepreneurial communities like Birmingham Enterprise Community, which has experience with helping businesses within multiple markets and have partners in many different countries who are able to additionally support.

How does BEC support UK businesses looking to grow overseas?

As part of our support on programmes like our FORWARD Accelerator, access to markets is a big factor that plays a role in fueling the growth of our businesses. This is split between practical support on the ground

through to partners in countries such as the USA, Brazil, Czechia, India and Australia.

These partners support us to help our businesses with elements like business entity setup, finding space, understanding funding opportunities and networking and social capital development. This is facilitated through a global network of mentors and entrepreneurs who can support our businesses to integrate into networks and communities in these markets. This helps to connect with the people and opportunities they need to help increase their chances of successfully entering the new market.

We have introduced several entrepreneurs we've worked with here in the UK to incubators and accelerators around the world, such as the incredible Thinqbate programme in Mumbai, India.

Networking opportunities have seen our entrepreneurs connect with organisations including IBB, which was started in Prague but has got members from across the world and, later in the year, will include pitching opportunities in partnership with the Gold Coast Innovation Hub in Australia.

These opportunities lead on to all sorts of collaborations, new business and much more. On an informal level, it means that wherever you go in the world, there is always the potential that there is someone else in the community there.

We had a video from a business originally from Costa Rica who, after spending time here in the UK, has now also expanded to the Netherlands. Whilst they were there, they were able to meet up with another entrepreneur of ours who has a business based in Italy but was also working in the Netherlands too.

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