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# Going global: 10 lessons learned from crossing the border





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In today's globalized economy, the growth of international trade is crucial for prosperity and longevity for many organizations. Thanks to advances in both technology and logistics, the ease with which we can sell our products and services on a global scale has increased rapidly. We're expanding beyond our borders like never before.

It's a process that also comes with its own unique set of challenges.

Globalization can be lucrative. There are opportunities to increase revenue, grow a brand presence, escape a hypercompetitive or saturated home market, or even enter an emerging or lucrative one.

It stands to reason that when you identify a new opportunity for growth or expansion, the temptation is to try and capitalize immediately.

However, breaking into a new market doesn't mean simply replicating your existing strategy and applying it, copy-and-paste fashion, into a new country or region. It's not a case of simply upping your marketing spend, hiring a salesperson to work from home and waiting for the opportunities to roll in. The business world is sadly littered with those who have tried and failed.

So, how do you know when it's the right time to take that step? How can you mitigate the common risk factors and set yourself up for success? How do you balance planning and preparation, with the need to take a few calculated risks?

Interact has been recently recognized as winner of the Queen's Award for Enterprise for International Trade 2019, following our successful expansion from Manchester in the UK to become a global provider of intranet software. In particular, we've seen significant growth in the US, where we've held an office based in New York since 2014. Since 2015, we've seen a 130% increase in international revenue generated for the business.

It's not all been smooth sailing. Speaking from experience, our senior leaders share the lessons they learned and the advice they'd offer others considering international expansion.

## 01 Ask the right questions

When is the right time to think about entering a new market, and what are the key considerations when scoping your first international market opportunity?

Before diving in, it's important to do your research and define both

the opportunity, and the readiness of your business and product. Entering an international territory is a significant investment – not only financially, but in terms of time, resource, commitment. So be brutally honest with your answers.

Consider the following:

- Are we mature enough as a business?
- Is the product mature enough?
- What's the total addressable market (TAM)? The opportunity?
- Who is already competing in that space?
- What operational issues or challenges are involved?
- What effort is required?

This one is a balancing act. If you wait for a perfect score on all answers, there will never be a right time. Expansion always calls for an element of risk-taking.



“ Researching and planning is important. But it also comes down to the right set of circumstances lining up and deciding to take a calculated risk. Sometimes, you just have to bite the bullet and say, ‘screw it – let’s go for it’. But once you make the decision, you have to commit.

– Scott Hitchins, SVP Global Sales

## 02

## Hire slowly and identify the traits you're looking for

“Key hires early in the process help define who you are and bridge the gap from corporate HQ to your new market.

— Simon Dance, CEO

When building your workforce in a new market, adopt the mindset that you're building the company from scratch: you don't need a mirror image of every person and department in HQ. Take it slow and use economies of scale where appropriate.

With the lack of staff, you also need people who can work independently with limited or no support. Bear in mind your early hires may be flying solo in their role or face periods of solitude, particularly if you're going to be operating in different time zones.

Those who are used to home working are a good shout: especially if you're not rushing into setting up a dedicated office space. Remote workers are good for the early days.

Identify the traits you're looking for clearly and hire against them. It may take longer to find the right fit, but this approach will enable you to make better long-term hiring decisions.





## 03

# Overestimate time to productivity for new hires

Onboarding employees will take longer and without having them in the thick of your day-to-day business, it's going to be a while until they 'get it' and reach full productivity.

While the pressure to start generating sales and justify the move and investment is high, it pays to be conservative here when setting targets and defining your strategy. Overestimate the time it will take to get your new hires up to par;

invest in a decent onboarding and training process; be realistic with KPIs and targets in the early days of employment.

Go with a quality over quantity approach. In a new market where your reputation is new and delicate, throwing more investment at headcount rather than upskilling your existing staff can lead to insufficient knowledge or skill, impacting on your brand. Planning for a slow start helps mitigate risk.

“ *In a new market, your people are your brand. It's worth investing more, both in terms of time and training, to get them up to par.*

– Simon Dance, CEO

## 04 Underestimate business performance in the early days

“ You're probably going to be unknown in the marketplace for some time. Despite having deep roots in your original market, you may be viewed as a risky upstart. Balance humility with confidence and expertise.

– Daren Jennings, VP US Sales

Just as it will take your staff a while to get up and running, it's important to remember that your business is the new kid on this particular block.

In an age of TripAdvisor and Glassdoor, customer reviews, references, and recognized brands rank top for many business leaders considering a prospective supplier or partner. You may be well-known in your domestic market: but expect some caution or suspicion in your new territory while you're getting established.

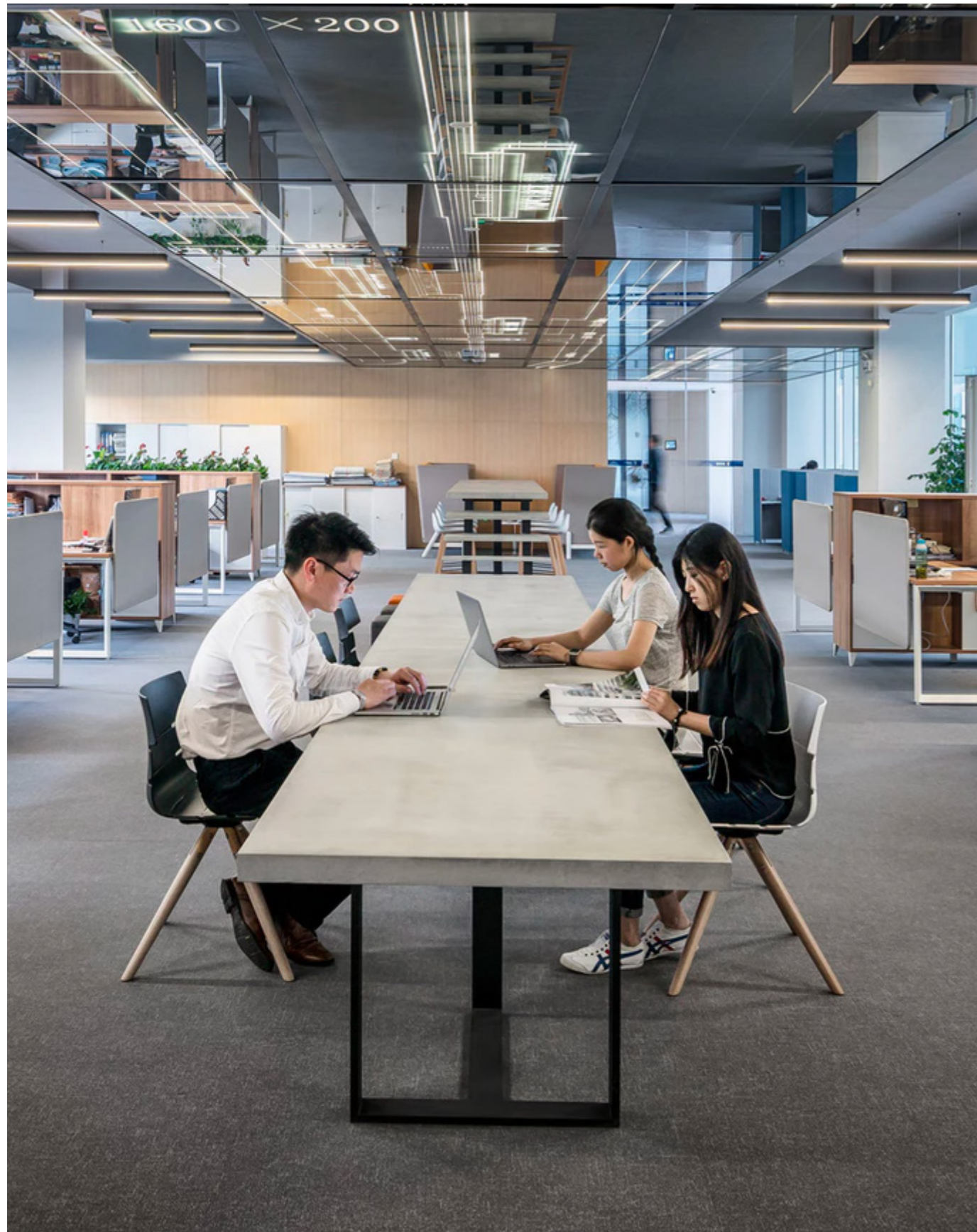
Bring that humility into the meeting room and build your credibility by demonstrating knowledge, expertise, and thought leadership. Know your business and product inside-out.

Endeavour to win new business in your territory as quickly as possible, even at a loss. Acquiring new logos and customer names in the expansion market will establish credibility for your organization and also validate employees' reasons for joining.

Take care to nurture those early relationships and the customer experience. When other organizations regard you highly, they'll advocate and vouch for you, pass along referrals, even act as a formal reference or case study.

Building a reputation takes time, however: give yourself the space to gather momentum and set realistic (\*conservative) revenue and new business targets.





## 05

# Tap into all the expertise you can get your hands on

“ One of the big things we found was the value of being with, and learning from, our customers. That two-way support was a big part of the learning curve: while we were educating our customers on our product and services, they were teaching us the differences in operating in the US market.

– Simon Dance, CEO

Even if you've done your research, nothing compares to the value of learning from those with first-hand experience on the ground. Appeal to customers and staff alike as your fountain of localized knowledge. Build business contacts in the area and seek the advice of suppliers, distributors or industry associations.

For Interact, this was a crucial learning point when understanding the competitive employment market in New York; advice from staff on things such as benefit packages and how to align with market conditions and expectations helped us secure the talent we needed to grow.

## 06 Learn how to sleep on a plane

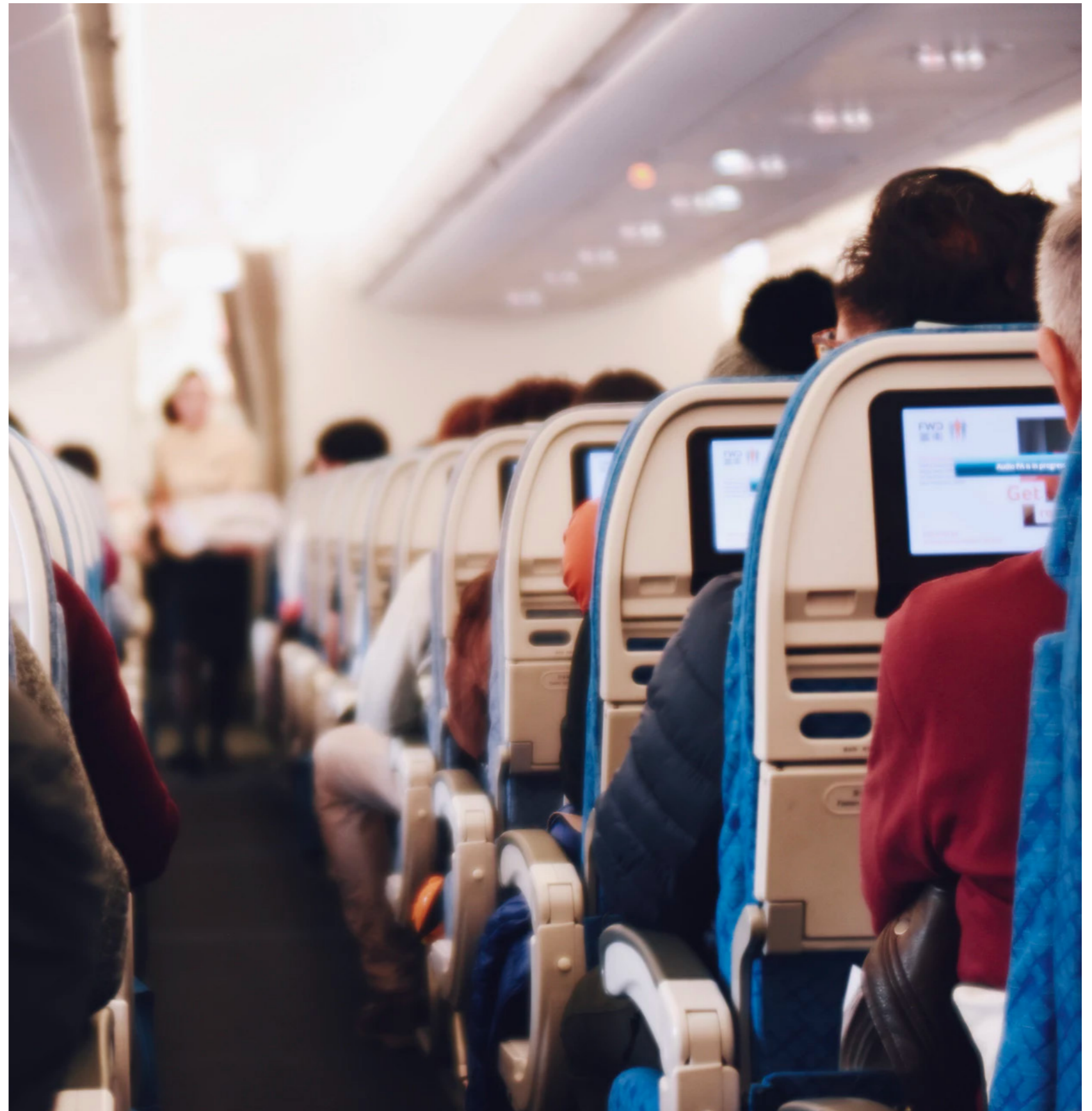
“Go there. A lot. Interview, meet with customers, get local knowledge, chat with your employees, attend meetings. And repeat.

— Scott Hitchins, SVP Global Sales

In the early days in particular, you need to be prepared to travel to your new territory, a lot: especially if you're in leadership. Even in an age of technology and digital communication, the value of face to face shouldn't be underestimated. Being visible to both staff and customers during the early days of establishing your international

business is critical to build relationships, trust, credibility and your network.

Line up some events, conferences or trade shows to attend – either as a participant or an exhibitor. Get both your personal and business brand in the public domain wherever you can.





07

## Remember that things get lost in translation

“Never assume that even in markets that speak the same language - like the UK and the US - the same marketing and sales practices will automatically translate.

– Bianca Hartley, VP Marketing

No matter what the territory, be prepared for cultural differences and their potential impact. This goes beyond the fundamental, “I’m American and you’re from the UK...” divide: there are subtle nuances in everything from company culture to language and expectations. Even if you’re a frequent flier from a tourist perspective or they speak the same language, don’t assume. People will work, communicate, and connect with one another differently from what you’re used to.

Don’t simply ‘copy and paste’ your existing domestic strategy into a new market. Educate yourself on the different customs, laws, business

etiquette and best practices. Speak to people within your target audience or conduct focus groups to put yourself in their shoes. Define your brand for an international audience and seek feedback.

Be prepared to revisit and evolve your processes, positioning and marketing materials repeatedly as you learn more about your new territory. None of us hit a home run on the first try.

“We began to understand better the different customer expectations in terms of level of service and support, finding that many US customers wanted a hands-on approach and more regular check-ins. Even subtle language variances made a difference: we soon learned that terms such as ‘bespoke’ and ‘scheme’, which were an established part of our UK business vocabulary, don’t translate in the same way across both markets. We began to evolve our marketing and positioning in response.

– Bianca Hartley, VP Marketing





## 08

## Utilize all the remote tools

“Your people are your most valuable asset and biggest differentiator, particularly when breaking into a new market. Make them a priority.”

– Simon Dance, CEO

It's crucial that your staff feel connected to and supported by the organization. Make internal communication a priority to foster those connections and engrain the habit of communication into the day-to-day running of your business.

Make sure staff have all the digital tools they need for easy, point in time communication: whether that's Slack or iMessage, Skype or Hangouts. Use video wherever possible; science proves it supports the building of better working relationships by enabling us to pick

up on communication cues that get lost on a normal phone call, such as facial expressions or body language.

Schedule regular calls, meetings and check-ins to reduce isolation and keep up the momentum and focus. Teach the rest of your HQ team the importance of this too: otherwise you'll find your new staff falling into an 'out of sight, out of mind' trap of being ignored or forgotten by the rest of the business.

## 09

# Share, share, share

“Celebrate successes vocally to the entire company and be transparent with setbacks. Both will happen!”

— Daren Jennings, VP US Sales

Getting everyone behind your new venture – both in your domestic HQ and your new territory – is critical to success. Share the journey with them: the highs, and the lows.

Generate interest and excitement by sharing visits to new territories or customers, blogging about the highlights on your intranet or grabbing some photos of your new office space. A quick selfie can be surprisingly powerful at bringing your staff into the experience. Celebrate significant wins and achievements, recognizing the role and contribution of those who have made them happen.

Go beyond the what: ensure your staff understand the *why*. Remember, you've been engaged in this decision-making process from the beginning and have a full understanding of the opportunity and risk associated with

international expansion. Your staff are often relatively late to the party. Some may have concerns about the logistics, what this means for their own role responsibilities, or even if this indicates a move abroad that could threaten their own job security.

Be as transparent as possible and offer reassurance. Company-wide town hall meetings, drop-in Q&A sessions, manager cascades and regular updates should all play a part. When things don't go as expected or you face setbacks, own them with humility and share them. Everyone can learn from the experience.



# 10

## Be prepared to learn, fail, and change tactic

“ Sometimes you need to accept when something isn't quite working for you and be prepared to change direction.

– Rachel McCourty, COO

As with any major business change, it's a huge learning curve. Be prepared to accept feedback, criticism and guidance: and more importantly, to change in response. While there's a case for giving things time to get established or build momentum, stubbornly sticking to your guns can prove detrimental. Allow for some trial and error.

decided to increase our US reach with the opening of an office in San Francisco in 2016. While on paper this presented an opportunity for the business, different market expectations and the added time difference presented some challenges. Our Services Team, for example, was split between the east and west coast.

For Interact, it was understanding the value of being with our customers. Following significant growth of +132.3% in 2015, we



We kept evaluating. However, the majority of our sales were continuing to come from the eastern seaboard.

“ When we weighed up the timezone and recruitment challenges vs. customer acquisition numbers, it was clear the marketplace on the west coast didn't support our strategic growth plan. We needed to concentrate on continued growth in the east and align ourselves with our customer base: focusing on building depth in a market we were already strong in.

– Scott Hitchins, SVP Global Sales

The Interact San Francisco office closed in 2017, with tactical focus shifting back to New York HQ.

## The return

“ Once you’ve taken that step, your company will never be the same again – it changes your culture, your identity, who you are as an organization. Embrace the change.

– Daren Jennings, VP US Sales

Going global with your business can be exciting, risky, eye-opening, challenging. In today’s global village where international borders barely present a barrier, it’s increasingly a go-to growth strategy for successful organizations.

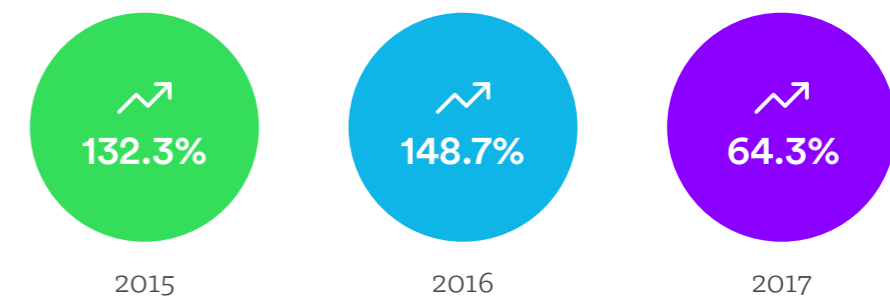
Previous success and brand aren’t a guarantee, though. Look at eBay, whose infamous failure to conquer the Chinese market in 2004 resulted from a lack of understanding of how business is done in the region.

There were 300 million cell phone users compared to just 90 million internet users in China at the time; communicating directly with sellers through calling or messaging was also considered highly important. eBay lost out to competitor Taobao, who offered instant messaging and voicemail transaction functionality.

However, with the right preparation and mindset, it can prove hugely lucrative.



Since 2015, Interact’s aggressive growth in the US region is a testament to the value of taking a calculated risk.



As an organization, we now serve over 1 million users worldwide, operating throughout the US and Canada, EMEA, and Australia.

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