



The secret sauce of SME internationalisation: Be comfortable being uncomfortable

Six main ingredients to achieve success

The benefits of international business expansion are widely known. Internationalisation provides businesses with access to more customers for further business growth, improves risk management through market diversification, and enables one to take lessons learnt from a leading market and apply them elsewhere.

For entrepreneurs looking to take the first step beyond their home country, the prospect can be daunting. Indeed, as an entrepreneur, you will need to get comfortable being uncomfortable. You will also need to dig into all the entrepreneurial spirit, resiliency and grit you have. However, the rewards will make the road well worth travelling for you, your organisation and your host country.

Here are some things to consider as you take your first few steps towards internationalisation; based on Sourced Group's experience launching in Australia then expanding into North America and South East Asia.

Strengthen your home market first

The key to succeeding in a new market is making your move at the right time and seeding it with the right people. The founding members should be leaders who have already captured the business know-how and the cultural essence of your organisation. They will then have to be able to transport them from the home country and align them with the uniqueness of the new market. These team members are usually integral to the operation of your home market business and removing them prematurely could negatively impact the continuity of your success in that market.

At Sourced Group, we ensure that we have built sufficient depth and robust succession plans in our home market business, before allocating some of our best people to new markets to set up shop.

Choose new markets carefully

It is important to seek and review credible data on the market conditions, competitor landscape and economic factors, amongst others, in order to determine the true demand for your services. It is also important to recognise that untapped demand is not synonymous with unlimited demand. Though you may identify an untapped demand within your considered market, it could potentially lend minimal relevance towards sustainable long-term growth.

You cannot force a market to mature and grow at the rate that is required for your business to flourish, so ensure you take this into consideration when weighing up the right market and timing for your move. As a consulting business, Sourced Group is part of a broader ecosystem of partners, many of whom were consulted prior to making major decisions on moving into new markets, particularly in the Southeast Asia region.

Do not be overzealous

Gone are the days where fancy new offices and a team of twenty were required to demonstrate one's presence in a new market. It is now entirely possible to start with two or three senior team members working from a home office, if necessary. Keeping overheads and set-up costs low grants the opportunity to test and learn and even fold back into your headquarters if things do not go to plan, without acquiring meaningful losses. At Sourced Group, we mobilise a "Core Four" of initial members from the leadership team who are responsible for developing the business in a new region.

Understand your product

A key factor in identifying the correct regions to expand into is thoroughly understanding your product and service and finding that nascent need that it fulfills within this particular market. You must be confident in the product or service that you have developed, and that its fundamental offerings are consistent and valuable internationally, transcending any market differences. If you find the need to significantly alter your product or service offering, then you may have to reconsider if this is the right market for your business.

When moving into a new region, the Sourced Group team listens very carefully to customer feedback and advice given and consults with people who better understand the local market.

Support your team and maintain culture

Moving employees overseas is a complicated and challenging process for both the business and its employees. There will be much red tape to navigate and family dynamics will now play a huge role in the success of the team as those who have moved internationally will most likely have made a large personal sacrifice for the move.

As an employer, we take very seriously our duty of care to support not just the employee, but also their whole family through the process. Some initiatives that have been successful at Sourced Group include family days, fly-back options, financial compensation and social programmes. It is also crucial that the whole family gets involved in communication around their collective investment in the organisation, so we ensure families are aware of our objectives and are part of the celebrations of business success.

Be prepared to do the work

Running a new market and maintaining contact with your home market, as well as other regions, will require ongoing, diligent effort. Having a globally distributed executive team is by far the biggest challenge of internationalisation. While it is crucial to maintain a high level of coordination and communication in between regions, time zones can occasionally feel like a huge burden.

The Sourced Group team understands this challenge, and as such, cross-region calls are scheduled marginally out-of-hours for everyone, rather than one region bearing the brunt of extremely early or late meetings.

The rewards for internationalisation are very clear. However, there can be no doubt that expanding one's business into a new region can be overwhelming, challenging and extremely hard work. It does speak though to an entrepreneur's first instinct: to feel comfortable with being uncomfortable. ■



John Painter | Vice President of Strategy and Innovation | Sourced Group

John Painter has been at the forefront of large-scale cloud transformation programs within the enterprise since 2012, doing so with a core focus on highly regulated environments. John's expertise extends across the financial services, aviation and media industries. John's skills are now being leveraged towards growing Sourced's expansion globally.