

A wide-angle photograph of the Chicago skyline at sunset. The sky is a mix of orange, yellow, and blue. The Willis Tower is the most prominent building in the center. Other skyscrapers are visible on either side, and the city streets are visible in the foreground.

THE ROAD TO OVERSEAS EXPANSION

*Your 7-step checklist to
succeed in local markets*

7 STEPS TO BUILD A LOCAL PRESENCE OVERSEAS

Having a watertight strategy when expanding into a new international market is key, but practical tasks can quickly become overwhelming. Do your assumptions about building a business presence overseas match reality on the ground? This essential 7-step checklist helps you assess your readiness and avoid the most common pitfalls.

1 FIND A LOCAL REPRESENTATIVE

Building trust with customers and stakeholders overseas requires personal engagement and market knowledge, especially in the start-up phase. Nothing beats being able to speak the local language and having a local contact network, or the ability to build one, when positioning your offer and navigating business deals in a new location.

You should bear in mind that competitors may have people stationed in your new market who have all these skills and capabilities.

RECOMMENDATION:

- Find a local partner or native representative and equip them with the insights and training they need to manage operations and promote your products or services. Their inside knowledge and ability to bridge language gaps is invaluable to speed up communication, solve problems, expand your contact network – and close deals.

2 OUTSOURCE HR ADMINISTRATION

Managing staff is a big enough task in your home market. Doing so remotely from a far-flung headquarters is a challenge that is rarely worth taking on.

When recruiting personnel you need to have a clear grasp of local labour laws, taxes and insurances. You will also need to secure business visas for when people are temporarily stationed at your new local office.

RECOMMENDATION:

- Get employment and HR services from a local provider who will be responsible for day-to-day administration. The rewards far outweigh the costs. This support not only ensures more qualified candidates and compliance with labour and tax rules – they can also help to build your brand as a local employer.

3 FIND CO-WORKING SPACE

Flexible office space is an excellent choice when establishing operations in a new market, partly to keep initial capital expenditure low but also to network with other companies.

This is particularly valuable for startups and SMEs who will be better served by spending money on staff to generate sales and improve the local business model.

RECOMMENDATION:

- Choose a co-working space that is both representative of your business and where you can find synergies with likeminded people, i.e. companies and potential partners who can share knowledge and local contacts.



4 BUILD RELATIONSHIPS WITH THIRD PARTIES

Expanding overseas is a major undertaking for any company regardless of size. Relying too much on inhouse capabilities is a classic mistake that too many make. Without strong alliances with third parties you may find it difficult to scale your operations and grow sales at the pace you had initially set out to achieve.

RECOMMENDATION:

- Build and nurture a local ecosystem of product, service or logistics providers to facilitate the growth plan. Assign an inhouse team to manage third party relationships in your new market and, preferably if time allows, develop tailored programmes to engage the best local partners.

5 ADAPT TO THE LOCAL CULTURE

Success in your home market does not automatically mean success abroad. Cultural differences should have an impact on how you organise your local teams.

If policies and procedures are not well-matched with how people in your new location are used to working, this may prevent you from building motivated teams and achieving your business goals.

RECOMMENDATION:

- Take a flexible approach and adapt ways of working where possible to ensure that local employees are engaged. If you have outsourced your HR function these issues can be discussed with your external partner.

6 GET YOUR COMPANY REGISTERED

When you need to set up local invoicing, registering your company will be the next step. But navigating rules and regulations is often easier said than done, particularly outside the EU. The administration that is involved when establishing a local entity or branch office differs greatly in each market, and sometimes the steps you need to take are not entirely clear.

Developing an in-depth understanding of the legislative landscape and procedures takes time, which you may not have if you're looking to establish your company quickly.

RECOMMENDATION:

- Engage a local expert in your chosen market to set up a step-by-step process that can be easily followed. This partner will help you eliminate doubts and can advise on the best options, not least when it comes to choosing company type and legal structure.

7 GET A LOCAL FINANCIAL CONTROLLER

Don't underestimate the workload when it comes to bookkeeping, invoicing, payments, handling foreign currencies, local tax/VAT filing and monthly reporting. Reliable and transparent financial management is a cornerstone of any successful expansion abroad.

The risks of handling such vital aspects of your local operations from your head office are simply too great – and entirely avoidable.

RECOMMENDATION:

- Hire a local financial controller as an outsourced finance function. This will ensure that all transactions are handled correctly and promptly and that you have all the support you need to report financials to head office and handle audit processes.

THINK GLOBALLY, ACT LOCALLY

HOW BUSINESS SWEDEN CAN HELP

Want to expand abroad? Leave the practicalities to us! Business Sweden is your go-to partner when it comes to quickly and successfully establishing your business overseas.

Our service portfolio Business Incubation & Operations has been designed to provide you with a full range of practical assistance in local markets – worldwide. This includes:

- Advice on local regulations and taxes
- HR and employment services
- Co-working space
- Finance & controlling
- Payroll support

Companies that have partnered with us have vastly improved their success rate when setting up local operations, avoided risk and accelerated their time-to-market. Find out more:

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