



Five Keys to Globalization for the Entrepreneur

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Never in the history of the world has the entrepreneurial spirit – the spirit of adventure – been more alive or in a more favorable position to reach out to the world for business. International trade increases sales and profits, enhances a company’s prestige, creates jobs, and offers a valuable way for business owners to level seasonal fluctuations. But the tricky part: what are the Five Key Factors to consider before going global?

Consider All of Your Alternatives

In today’s competitive environment, many small to mid-size companies feel the pressure from their customers to go global, or face losing existing business. This causes many companies to want to start up a new subsidiary in a foreign country immediately. This can be very costly, and for some companies, can lead to the ultimate demise of their entire business. Consider alternatives such as subcontracting to an existing company in the target country. Your profits may be lower but your risk might be substantially less.

Rough Out a Budget

Going global can be quite expensive and it can get expensive quickly. Putting together a rough idea of what it will cost is not the fun part of your expansion efforts, but it is critical. The mere process of putting dollar signs along side your plan will force you to think it through. You will, of course, over and under estimate various cost elements, but this simple step will give you and others what you may need to include in the plan, a guide to follow. Like the rest of your plan, the budget will need revisions along the way, however, it should save valuable time and effort.

Evaluate the Depth of Your Management Team

In addition to making a significant financial commitment, going global takes a significant time commitment as well. Inevitably, getting started always seems to take longer than anticipated. Evaluate the talent and commitment of your management team. While you, or one of your management team members, devote time to global expansion, the home front will still need to be managed. Make sure you have sufficient resources to keep both efforts moving forward.

Put Aside Your American Ways

We've all heard the saying, "When in Rome, do as the Romans do." Going global demands you put this saying into practice. All cultures, American culture included, tend to conduct business in a particular fashion. "The American Way" is very common in America, but very uncommon in other parts of the world. Your ability to adapt to other ways of doing business will be critical to your global success. Each culture is slightly different, so learn as much as you can about the business practices used in each of the various cultures to which you will be exposed. Take the philosophical approach regarding the nuances you will find by remembering, "It's not wrong. It's not right. It's just different."

Enjoy the Ride

Most business owners that see global expansion as another adventure in their business career, as opposed to a necessary evil, find success in their endeavors. You will have the opportunity to meet different people from different cultures who will teach you new lessons in life. You will develop new friendships; you may even learn a language or two. Whatever develops, know that your positive attitude will be appreciated and will serve as the foundation for your expansion efforts.

