

# RETAIL ESSENTIALS



**Paulo Sousa**, International Corporate Director

**The last few months of Retail Mind's international area have been quite fast paced and challenging, do you want to share some highlights about the recent times?**

Retail Mind has had a foot outside Portugal for a long time.

During the last few years, projects have been carried out in Spain on a more regular basis, and in Latin America, in a more opportunistic view.

These were small steps for us, where we managed to see the potential of some markets, and above all the potential of several brands, that were ready to expand into these markets. After the pandemic, and when we felt that the market was standing still, waiting for a sign of what the new normal would be, we decided to accelerate and give much more strength to our international expansion.

This was how, in 2022, we opened directly Spain and Colombia (and from Colombia we manage all of LATAM Spanish speaking countries), and more recently, Brazil.

So yes, our growth has been fast, challenging, but above all down to earth.

**How can a company determine whether it's ready to go international or not?**

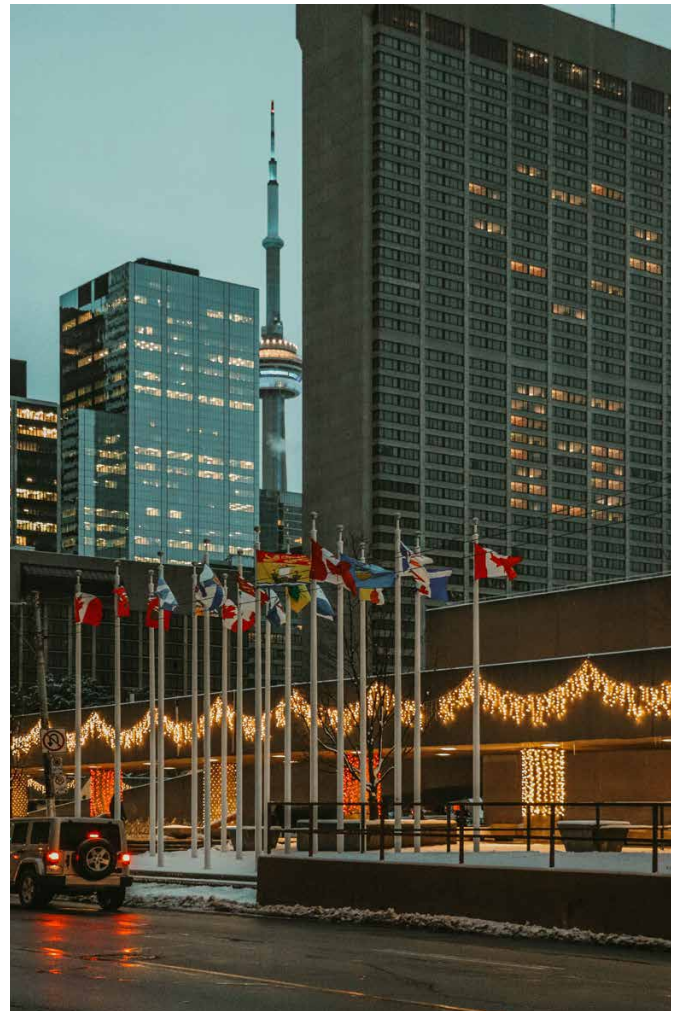
Expanding into international markets is a significant decision for a brand, and all things must be measured, in order not to jeopardize what has been done in the native market.

Of course, and depending on the area, a company can make market studies, competitor analysis, financial analysis, risk assessment, and many other things.

For me, most is based on the strategy, on the ambition and on the capacity of taking risks.

If the brand strategy is solid, if the ambition is on the management top of mind, and if the purpose of the company is clear and adds value to its partners, then the main ingredients are ready. This is when the brand can fly abroad.

Of course, as in everything else, it's important to give small steps before going with all we have. These small steps will allow us to better understand the market and be much more prepared when we go to cruise speed.





## **What** are the most important factors that need to be taken into consideration when searching for new markets to expand a business into?

The most important factors should gravitate around two pillars: the market opportunity – the capacity of the company to be disruptive and add value into the new market; and the long-term strategy – usually a new market is not the end, but one more step in the long run. So, although the tactic can be focused on a new market, the strategy must always be in the finish line (which, as we know, is constantly changing, but this is how a company remains young, active and alive).

## **What** are some common mistakes companies make when entering foreign markets?

Mistakes usually can be related to the why, the how or the when.

Why the company internationalizing is key: if this is not clear, better to stand still.

How is the internationalization process defined?

Should a company go directly, or with a Partner?

Should it ask for specialised help or define everything in house?

This point needs also to be clear and aligned with the brand strategy.

And when is the right moment to internationalize the business?

Here, of course, it depends on the internal solidity of the brand, and the economic/ political moment in which the target markets for internationalization find themselves.

These are, for me, the three factors that can most jeopardize the internationalization of a brand.

## What is the best way to mitigate risk in international expansion?

The best way to mitigate risks in international business is to apply a comprehensive risk assessment strategy before entering each new market. Always make sure you gather as much information about the target market as possible, including its culture, economic conditions and political climate. This helps you understand the risks involved in doing business in the country and develop an action plan to address those risks.

Give small steps before firing a cannon ball. And above all, partner with a company that knows the market, and that can help to make the process more efficient, more reliable and with lower risks.

Here, off course, is where Retail Mind comes in!

