

# The importance of scalability when growing a global team

If your business goals include entering new markets, establishing multiple domestic and international entities, and growing your profits, then it's time to consider scalability. Business scalability is a necessary part of adapting to company changes successfully as you grow, meet, and exceed your goals.

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## What is business scalability?

Scalability is the ability to expand your company and increase revenue without investing a lot of time or resources, or interrupting your daily operations. Implementing strategies to scale globally and domestically lets you achieve growth profits and recognition without cutting into your bottom line.

Successful scalability includes scaling all facets of business, including:

- Hiring and employee contracts

- Team communication

- Management strategies

Project management

Client relations

Marketing efforts

Automated tasks

Ongoing training

Internal processes

Expenses and payroll management

Product development

Manufacturing and distribution

You can scale a company up or down as your needs, goals, and resources change. Companies should implement scalability strategies before expanding to new domestic or global locations or markets.

## Why does scalability matter in an international business growth strategy?

International expansion is a profitable goal for many companies because it opens your business up to a new, diverse market and leading talent while gaining global brand recognition — but only if you start laying the groundwork early. Implementing scalable processes and tools now is a critical part of your global growth strategy.

### **1. Being scalable saves time and resources later on**

The earlier your company invests in scalable initiatives, the easier your growth will be. When the time comes to enter a new market, your employees will already be trained and familiar with scalable software, equipment, and internal processes. This early adoption also helps your team work out any hiccups and establish a productive workflow before expanding.

### **2. Scalability makes it easier to build a strong international team**

For most companies, scaling a business internationally requires some level of remote work or long-distance communication with a distributed team of employees, suppliers, vendors, clients, and management. A diverse global

team is a strong asset for companies. A diverse team is 36% more likely to get financial returns because they broaden your company's reach while diversifying perspectives, resources, and employable talent. Virtually connected teams also tend to be highly collaborative, reaching newfound heights of productivity, efficiency, and overall job satisfaction among employees — they're also 12 % less likely to report having issues.

Hiring international employees lets you seek the best candidates for your company and position, regardless of location. It also opens your business up to more flexible support and operation in multiple time zones. This collaborative environment will prepare your team for further growth opportunities as you continue to expand.

### **3. Your company will retain efficiency**

Scalability will help your company retain its product quality throughout expansion without sacrificing the efficiency or quality of your customer service and internal operations. This seamless operation will keep your employees well-versed in company changes while maintaining positive relationships with your customers.

Scalability in international business will help you:

- See consistent service and quality across locations

- Keep valuable employees and foster a positive work environment

- Successfully target your ideal consumer market and implement effective marketing initiatives

- Earn more profits without spending more

- Maintain a balanced workload across employees, contractors, departments, and locations

- Continue building valuable client relationships without interruptions or service gaps

- Gain an edge over competitors that cannot scale successfully

## **How to create a scalable company**

Integrating scalability into your international growth business structure takes a sound business model with measurable goals, a recognisable brand, automation and outsourcing, and managing human resources (HR) across

multiple markets. These tips will get your company started and on the path to scalable global expansion.

## **1. Start with the right concept and business plan**

The best time to consider scalability is while you're still a small business, with a handful of employees and simple internal processes. By starting early, you can invest in policies, equipment, and training that will grow as your company does, and you'll avoid some of those costly growing pains. 17% of small businesses fail because they don't have a business model — and companies of all sizes will struggle to establish a global reach without a plan for international business scalability.

Some business concepts are more scalable than others. If your company's core is personally developing relationships with your clients and leveraging your unique skill set — such as a specialised engineer, consultant, or artist — you cannot scale your operations the same way a mass distributor with a cross-niche product or a property investment firm can. However, if you create a team of professionals with similar experience and talent and follow a global business model, scalability is possible.

Standardised business models are more easily scalable than highly customised ones. One way to begin is to consider — and leverage — all of your company's existing assets, including locations, employees, vendors, and international clientele. Use these to your advantage to analyse where your gaps in scalability might be.

Some companies may find they could shift some focus away from internal processes and improve their customer acquisition techniques. Having a built-in customer base can help you expand into new markets. Others might find the opposite to be true. If your business model is focused entirely on your consumer and end-product, you might need to create an enticing offer for potential investors.

Consider the markets you are already in and the markets you hope to reach in the future, then list the steps for how you will get there. What skills, materials, or professional guidance will you need to make those goals a reality?

Once you've crafted a thorough concept and business plan, review it with professionals, company stakeholders, and other relevant parties. According to one report, company founders typically need two or three times as long to validate their business model as they initially think. Take your time — the stronger your business plan, the easier scalability and growth will come to you.

## **2. Always be consistent**

Consistency is the backbone of scalability. The scalability measures you put into place will become obsolete unless your company practices and enforces them every day, across every location, and in every process. For example, if part of your scalability strategy is using cloud-based data storage for all company files, but one department decides to use external storage instead, you will face an inevitable delay in operations while the rest of your company struggles to accommodate and access important information when they need it.

Lack of consistency has a trickle-down effect — confusion in the workplace can lead to unproductive employee meetings or disappointed customers and may hinder your profits or reputation in a new market. Some tips for achieving consistency include:

**Establish your brand:** A noticeable brand is one of your greatest assets when expanding internationally and scaling your business operations into new markets. This includes having a recognizable visual identity, including a logo, color scheme, and font, as well as a list of core company values and strategies. Consider how you will communicate with your customers when you're ready to scale up — will you start building a mailing list from day one of your company, or will you find your target audience on social media?

**Start with management:** While it's important to grant employees freedom and flexibility to perform their jobs well, leadership plays an integral role in scaling operations. All management should have the skills and experience to lead their department, team, or regional office. They should practice consistency across all areas of daily management, such as problem escalation.

**Stay up-to date on the industry:** Being scalable means understanding your industry and your consumers' expectations. Stay up-to date on industry trends, standards, regulations, and other crucial changes to adjust policies and offerings as needed.

**Have a mission statement:** Craft a compelling mission statement for your company that includes who you are, why you're starting this venture, your goals for the future, and the core values that support your mission. As your operations grow, adapt this mission statement without losing sight of who and what your company was initially.

## **3. Prioritize technology and automation**

Use artificial intelligence (AI), software, and other technology and equipment to automate repetitive tasks across your operations to save time and create an

easily scalable business model. Examples of automation include software that automatically backs your files and data up to a cloud, or a shopping interface that alerts customers when you've got an upcoming sale or when they've left items in their shopping cart.

Automation can:

Give your employees the technology they need to complete their tasks

Help you identify areas where you can save money and cut material waste

Make more intelligent projections for materials and products

Free up your team's valuable time to focus on tasks that demand their unique skills

Give you a clear picture of your company's needs and successes

Make it easier to stay compliant with local regulations

Reduce some human errors, such as typos

#### **4. Build the right team**

Nearly a quarter of small businesses — 23% — don't survive because they didn't have the right team backing them. Build a talented, diverse, productive staff across all locations and markets with these three steps:

1. Hire the right employees: The first step in securing the right employees is to advertise the position accurately, realistically, and comprehensively, so applicants know what to expect and what they stand to gain by partnering with your company. Have an experienced manager or interviewer hold interviews and take your time finding the right candidate for the task.
2. Value your team: When employees are happy, they are 31% more productive than those who feel undervalued or overworked. Bolster your team by inviting feedback, fostering a healthy work-life balance, offering competitive wages and benefits, and equipping them with the tools and training they need to succeed. Incorporate employee input in company decisions — after all, they know your business and industry better than most.
3. Outsource where you can: Though it might be tempting to handle as many tasks on your own as you can — especially as you're starting out — you need to understand where your strengths lie and delegate the rest to skilled professionals. Outsourcing can save you time and money. Nearly

60% of companies rely on outsourcing to reduce operational costs. With a global outsourcing market valued at \$85.6B in 2018, there is no shortage of talented freelancers, organisations, or contractors ready to help your goals come to fruition.

## **5. Set and measure goals**

Once you've designed your scalable business plan, you need to list your goals and establish benchmarks, or key performance indicators (KPIs), that allow you to measure your success at regular intervals. Work together with your entire team, including management, investors, and employees, to get insight from all facets of your company.

Potential KPIs for scaling your business are:

Maintaining a low employee turnover rate and retaining top-performing individuals

Preserving your loyal customer base while still attracting new clients

Supporting happy, productive employees across each market

Achieving a specific profit or reducing losses

Seeing consistency in management, operations, and processes across locations and departments

Seeing an increase in service or production speed

## **6. Don't neglect HR**

HR management plays a significant role in successful scalability, especially if you're establishing your company in a new country. If your HR operations aren't scalable or your HR team isn't familiar with the labor laws and intricacies of doing international business, you risk legal difficulties, possible fees, and business delays.

Every location is different. Your HR must be well-versed in the country, region, and city where you're expanding. Understanding HR practices in every location can be a monumental task, especially if your company goals include expanding into multiple international markets. Working with an Employer of Record (EOR) is the best way to ensure you're compliant with every country's labor laws and all employment considerations, including:

Health and insurance benefits

Unemployment benefits

Leaves of absence and paid time off

Severance policies and packages

Minimum and competitive wages

Local costs of living

Regional holidays and special considerations

Tax and pension requirements

Employment contracts

Working hour restrictions

Translation services

Cultural norms and traditions

Method of payment for wages

Job recruitment strategies

Employee data protection

Optional stipends

## Globalization Partners can help your company achieve global growth

If part of your business plan is to offer your product or service in international markets, scalability is a must. Globalization Partners is a global EOR with a presence in 187 countries across the world, and we're here to help you scale your operations and manage your HR as your processes evolve.

As your EOR, we'll handle the complexities of hiring employees in international markets while you focus on the rest of your company. Our AI-driven, comprehensive platform makes it fast and easy to hire and manage a global remote team, while our in-country experts provide guidance for legal compliance, employment contracts, payroll management, and more.

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