

# Don't Compromise on What You Expect from your International Business Partner



For many organisations, particularly in today's commercial landscape, going global is more than a corporate aspiration, it's a critical step in remaining competitive and growing their business. There's no doubt that expanding internationally can be an attractive and lucrative business proposition, and that international business, across both developed and emerging markets, offers a wealth of new opportunity. Selling internationally opens up the way to big business; organisations that do not have a multinational geographic footprint will find it increasingly difficult to engage effectively with large business customers, who themselves are established globally.

Despite the opportunities that international business expansion promises, there are a number of serious challenges that organisations face when deciding to operate on this scale. Questions of whether their supply chain logistics support foreign expansion, whether their financial departments are geared to handle foreign transactions and currency conversions, whether they can deal with multiple languages, or whether their IT departments are able to handle foreign operating systems all need to be addressed. A detailed knowledge of local tax and logistic laws, import duties, currencies, languages and cultures is crucial and products often have to be adapted to a particular market. Similarly, the economic and political environments of different countries can have a dramatic effect on commercial activity, and it's imperative to abide by local rules, laws and regulations as well as being aware of the risks – and opportunities - associated with potential expansion into emerging markets.

Extensive as that list is, they are not the only hurdles to effective international business. Economies of scale, leveraging global buying power, corporate governance, business alignment and cost containment are the most common challenges facing IT and procurement departments within the modern international organisation. Factor in the

complexities of managing local business across multiple geographies and the rollout of any international IT initiative can seem an almost insurmountable task. So, while the lure of international business remains strong, a growing number of organisations are finding that the complexities of doing business globally are wasting valuable resources, causing operational inefficiencies and exposing the business to multiple areas of risk.

Long story short, most international organisations simply do not have the infrastructure or resources to adequately support the intricacies of cross border business in-house. In an attempt to address these issues, many of these organisations have tried to manage numerous service providers across multiple regions. But this approach can often lead to its own set of problems, including escalating costs, delays, various points of accountability and poor service delivery.



In its 2010 Magic Quadrant for Communications Outsourcing and Professional Services, Worldwide\*, report, leading industry analyst Gartner asserts that in their survey of vendor references, Over 20% of respondents cited **'ease of doing business'** as the single biggest weakness of their Communications Outsourcing Professional Services Provider.

If organisations choose to deal with one service provider in order to eradicate some of the problems inherent in managing many, it's essential that they are getting their 'ease of doing business' need properly met. Ease of doing business, according to Gartner, takes the form of many different issues in the vendor-client relationship. The report states that, chief among these are

"pricing and contract flexibility; single contracts for ordering and provisioning work orders across targeted geographies; billing in local currency; and single global support and maintenance contracts."

It goes without saying that as an international organisation you need to

engage with an ICT partner that really understands both the intricacies of international business and your individual business needs. It's advisable that before engaging with a partner, organisations compile a fairly non-negotiable set of business requirements. Over and above the examples cited by Gartner, these should include: flexibility and scalability; a single point of accountability for all IT procurement needs; the management of the risk inherent in cross-border shipping, including customs clearance and the payment and reclamation of VATs, duties and other taxes; and visibility and management at every step of the procurement process. Furthermore, organisations should expect to minimise their capital investment in costly infrastructure as well as have complete insight into the total cost of sourcing for IT products and services. Finally, it's important that organisations have access to the specialised IT skills necessary expected from outsourcing to dedicated IT service provider including the ability to exploit technology convergence to optimise the existing structure.

Another important consideration is whether your partner can meet your requirements across multiple technologies and vendors. With Original Equipment Manufacturers (OEM) partners, organisations may well find that while they receive a good service when it comes to the procurement of that OEM's products, they won't receive advice or a service around any competitor technologies. Consequently, organisations will find themselves either forced into one technology option, or having to revert back to dealing with many different suppliers. Ideally, organisations need to engage with a partner who is conversant with multiple vendors. In this way they're able to realise the benefits of multiple technology solution choices, while still retaining the 'one throat to choke' benefit of a single provider.

Similarly, international organisations should make sure that the partner they engage with has a global footprint that can support their current international business requirements, as well as any future expansion plans. Many service providers who make claim of a comprehensive

geographic presence may not in fact have a local 'feet on the street' presence, and may have to outsource in-country to unknown 3rd parties who probably won't operate to the same service levels that were negotiated. In order to prevent disappointment and frustrations down the line, it's best to discuss up front any potential partner's actual domestic presence and capabilities.

In order to ensure that your business needs are consistently and comprehensively addressed – wherever and whenever – **don't compromise on what you expect from an international business partner**

Without a doubt, the potential of international business opportunities can be severely compromised if the complex and convoluted logistics inherent in cross-border operations are not consistently and effectively met. For most organisations, the lack of expertise, infrastructure and resources required to get the job done effectively and economically, means that outsourcing to an external service provider is the most viable solution. However, in order to ensure that your business needs are consistently and comprehensively addressed – wherever and whenever – don't compromise on what you expect from an international business partner, and ensure that they have the credentials to deliver what you expect. That done, you can concentrate your energies on expanding the business and supporting strategic growth - in pushing boundaries, not crossing borders.

\* Gartner "Magic Quadrant for Communications Outsourcing and Professional Services Magic Quadrant, Worldwide" by Eric Goodness

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GABON • GHANA • KENYA  
MADAGASCAR • MALAWI  
MAURITIUS • MOROCCO • NAMIBIA  
NIGERIA • SAUDI ARABIA • SOUTH  
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