

## **International expansion: sustainable growth path for SMEs**

During its lifetime, a company will go through various phases that will require it to reflect seriously on how to face the challenges that will arise.

Growing companies (or those focusing on business growth) can use certain elements to achieve their objectives. In this regard, **pillars** and **levers** are essential for growth.

By pillars we mean the company's human resources and owners (e.g. shareholders, co-ops) who actively and directly participate in its development. Levers refer to the various partners who gravitate around the company (upstream, downstream and peripheral) such as its suppliers, customers, financial institution and any other organization associated with its activities.

### **The pillars: undeniable anchors of growth**

The know-how, efforts and ideas of the firm's employees, combined with the means made available to them by the owners, create the momentum required for sustained growth. However, the commitment of all these parties must go beyond the pooling of individual efforts; it is their vision and shared desire that will cement the company's success.

### **Levers that drive growth**

In the same vein, the company's suppliers, customers and other partners must also be involved in achieving these growth objectives. For instance, the visibility offered by a major partner is a springboard to recognition in otherwise inaccessible new markets. An invitation to join your client's or supplier's export initiatives is another example of how levers can contribute to a company's expansion.

### **Internationalization: ensuring the company's longevity and growth**

Beyond the involvement of levers and pillars, the strategic paths the company takes will greatly affect its growth pace. The development strategies can take various forms such as the introduction of new products on existing markets or of existing products on new markets. In this regard, the international marketplace offers many advantages, for example, an extended product life cycle, economies of scale, sector and geographic diversification and greater competitiveness by the company. In fact, it has been shown that businesses that compete on the global scene are more competitive than those that don't. As well, a company can launch into exporting due to an external situation or factors (e.g. unexpected order from a foreign prospect, accompanying a client who is expanding abroad, sale to an intermediary who serves a foreign market).

In any case, the export initiative should never be a last resort, but rather a means of achieving lasting growth. Conquering foreign markets as a last-ditch effort often causes panic and an off-the-cuff strategy. In fact, premature internationalization can even threaten the company's survival. Consequently, you should attempt to grow through exporting only after you have all the facts in

hand and have clearly thought out this course of action. An analogy would be a swimmer preparing to dive. He must first make sure there is water in the pool (is there a market?), the water is deep enough (how big is the market?) and he can reach the diving board (how severe are the access barriers?).

Finally, the company must be prepared to replenish its toolkit as it grows. You cannot expect to generate \$50 million in sales with tools designed for a volume of \$10 million. To continue expanding, the means invested must be consistent with your goals.