



BY DUNCAN WHITE

MAKING A CONNECTION

A co-working space gives SMEs low market entry, exposure and adaptability in the early days of venturing abroad.



THE world is smaller than it used to be, and made more accessible through the Internet and increased connectivity. Small and medium-sized enterprises (SMEs) often have many opportunities available to them due to their ability to be nimble and innovative without having to trawl through large sections of corporate red tape. A benefit of globalisation is that it enables SMEs to consider expansion through digitalisation.

The existence and the continuing evolution of technology and the Internet have changed how we lead our lives forever. Digitalisation has altered the way that each of us reaches out for and absorbs information. The way in which a consumer might research a product online is now the way SMEs can research and reach new markets, consumers and competition within and now outside their core market reach.

When an SME feels comfortable that it has built and can sustain a local customer base, it might well feel that the next step is to go regional or international. However there are factors to consider when becoming a cross-border player that would not have been an impact when leading a local market.

As and when an SME considers entering other markets, either regionally or globally, it is necessary for the business leaders to understand its full impact and determine if the rewards outweigh the risks. They need to understand whether there is a market base that can absorb their product. Are there restrictions abroad that are not present in the home market? There are considerations such as trade barriers, connectivity, currency, financial regulations, as well as culture and economic and political status. Are there strategic partners that can help to alleviate resource constraints? The list goes on.

Setting up a go-to-market strategy is crucial, as the roles that business leaders and executives will need to take on increases with the surge in tasks of managing requirements and the heightened workload expected in a global expansion.

But there is help out there. Go Global is a Google initiative backed by the Singapore government and lead corporations that SMEs can tap into for assistance to grow and expand into multi-markets. The Go Global initiative aims to support international trade export activities for SMEs in Singapore. It works together with government agencies and other business export partners to help local SMEs build their business capabilities, promote international exports, and grow to be globally competitive companies. This initiative is especially useful in educating and implementing exploration into new markets.

Depending on your business, you will also need to consider your physical office footprint within the new market(s) in question. Where will you house your resources, meet your potential clients, present that next winning pitch? A real estate impact could significantly affect the required and anticipated financial considerations in the globalisation opportunity.

Committing to expensive real estate leases for long-term tenures can offer a considerable hurdle to an SME entering a new market. With unfamiliar legal clauses in leases, and a sizable amount of capital required for deposits and office improvements, the profitable business case may well look less appealing to owners and business leaders.

However, not everything in real estate needs to be expensive and constraining – with the ever growing flexible working initiatives such as co-working facilities from operators such as WeWork and JustCo, SMEs can now strategically house employees in an already connected network of talented, like-minded individuals at a fraction of the cost of contemporary offices, and with limited commitment.

The co-working community and environment lends itself to collaboration, thought leadership and innovation which in turn help to connect and build business opportunities in a ready-made physical business environment. The operators enhance and support collaboration and membership environment, which is specifically beneficial to an SME expanding across borders.

The key is the opportunity to connect with people who already have experience in the market, can introduce and make referrals, and can ultimately help to advance your business. These are critical takeaways from these collaborative membership platforms that are becoming commonplace in most markets.

It is fair to say that the co-working space and its communities may not be the home of a globalising SME forever. However what co-working does do is allow market entry, exposure and adaptability in the early days of going global. After a period of time, which may vary for all SMEs, the day will come for the move to a more conventional, long-term and dedicated office space, which will see the continued growth of the company.

Speaking with trusted real estate advisors in the market (ones that might have been referred to you through your co-working community) is advised – just like any of the processes that you will encounter going global, you will need local market expertise and knowledge to gain the best possible position in the market.

The Go Global initiative from Google and the co-working operators such as WeWork and JustCo are some of the ways that innovation and communities are making the internationalisation of SMEs a viable opportunity while mitigating uncertainties, risks and cost. ■

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