

INSIGHTS REPORT ON INTERNATIONALISATION

(Includes Tips & Experiences from Participants enrolled in CCP-I and JDP Programmes)

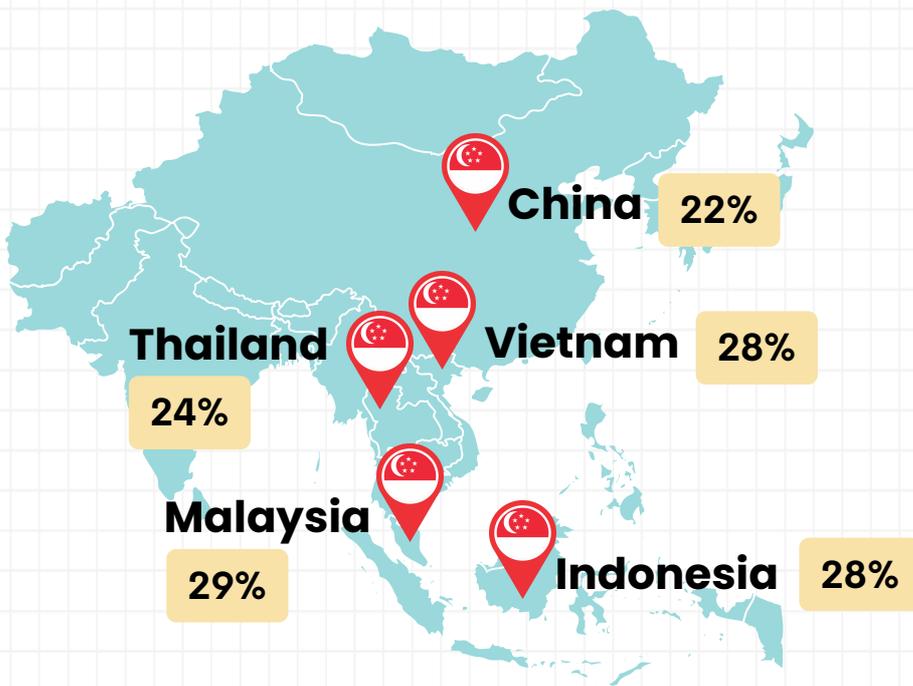
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Exploring Market Opportunities Overseas

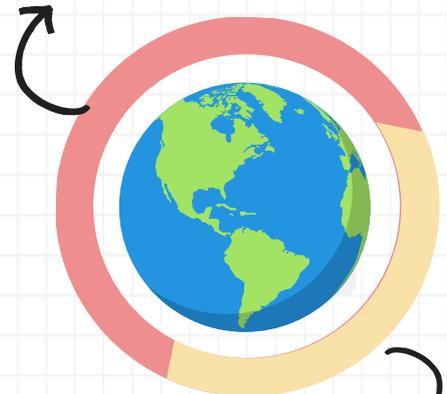
Based on the findings of the SBF National Business Survey 2023/2024, over three-quarters (76%) of Singapore businesses have established a presence overseas. Among these businesses, more than half (54%) reported that over 40% of their revenue is generated from their international operations.

n= 1,056 Source: NBS 2023/2024

Singapore Businesses plan to venture into...



66% are planning to expand into countries within Asean



34% plan to venture into the rest of the world

n=623 Source: NBS 2023/2024

Challenges of Internationalisation

Singapore businesses shared some key challenges to internationalisation. These included the unpredictability of overseas market demand, the complexities of the geopolitical landscape, the expenses associated with overseas expansion and manpower related issues.



Uncertainty of demand in overseas market



Uncertain overseas climate leads to insecure business partnership



Cost incurred in overseas business expansion



Lack of managers to run overseas businesses

Source: NBS 2023/2024

2

Strengthening Market Presence

Businesses emphasised that it is beneficial for resources to be shared among contacts to broaden networks and allow organisations to meet more individuals within their own industries and beyond.



Traditional Business Matching: Trade shows, Exhibitions, Word-of-mouth



LinkedIn has emerged as a platform for companies to network and strengthen connections, leveraging on profiles and information to foster connections.

Establish credible networks and finding suitable channel partners to expand international business.



International database subscriptions expand business reach, generating leads through internet and data mining. It is deemed as a faster and more effective approach for marketing.



Overseas offices, such as Singapore Enterprise Centres (SECs), have proven advantageous for businesses by assisting in identifying dependable service providers and introducing potential clients.



Tips on Marketing your Brand Overseas!

1

Recognising market diversity and adapting e-commerce strategies as needed



For example, in Malaysia, while we are perceived to be culturally similar, there are still minute lifestyle quirks and differences that exist. It is therefore more effective to hire a local speaking influencer to sell the brands/products.

2

Leveraging on the 'Singapore' brand



Reputation of the Singapore brand (i.e. our reliability & adherence to rules) is one of the top factors driving the expansion of overseas businesses (53%).

Source: NBS 2023/2024

Assembling a Team

Many businesses face challenges in sourcing skilled personnel and building a team to support their overseas expansion efforts.

SHOULD MY COMPANY

HIRE NATIVES?



RELOCATE SINGAPOREANS?



Overseas Specialists

Companies noted that employing native staff for their international operations significantly aid in the management of cultural nuances, local team communications, and business practices.

Benefits



Reskilling Existing Workers

Limited financial resource poses a significant barrier as companies cannot hire an unlimited number of employees for international roles. As such, reskilling and relocating existing workers with versatile skills to handle various challenges abroad would help to ease the financial burden of hiring more workers.

Cultural Differences

The challenges associated with effectively managing and collaborating with local staff stem from disparities in work culture, operational methodologies and language barriers. Employers are also required to understand the local labour laws.

Challenges



Finding Capable Employees

The employee must be equipped with multi-faceted and all-rounded skills to be able to deal with the range of challenges abroad. Moreover, some companies struggle to find suitable resources and training programmes.



Overcoming Manpower Challenges

SMEs typically operate with 'lean' teams, making it difficult for them to find sufficient manpower to scale operations and production. This may limit their capacity to develop and expand overseas.



Companies can consider the **CCP-I Programme**

to train or recruit experienced employees for overseas expansion.

Discover the experiences other companies and trainees face on the next page!

A QUICK LOOK AT CCP-I FOR PROFESSIONALS

(Career Conversion Programme for Internationalisation)



What is this programme for?

- ★ Helps companies to widen their talent pool selections and reduce risk in hiring mid-career switchers.
- ★ Train staff to take on new job roles or redesigned job roles that help company in their internationalisation plan.

Let's hear it from the participants!

Companies' Feedback

- 1 Boosted trainees' confidence** as they were able to apply new skills in **approaching new markets and developing business plans or strategies** for the company's internationalisation journey, as well as **improving company processes**.



- 2 Well-structured, engaging modules with real-world examples.** Trainees were able to apply their knowledge at work and share with supervisors and colleagues.

Trainees' Feedback

- 1 Improved understanding of market regulations and cultural differences.**
- 2 Introduced new digital tools, which allowed the trainees to work more effectively.**
- 3 Provided framework and methodologies for business analysis, helping trainees identify suitable markets for investment and overseas expansion,** such as the setting up of a local office or the appointment of a distributor.



In general, all companies and trainees who participated in the FGDs found that the CCP-I programme has met their initial expectations.



Learnt new skills on internationalisation and getting prepared for new roles and responsibilities when doing business overseas.



The programme also served as a networking platform for the trainees.

Lessons from Past Internationalisation Experiences

Companies that have internationalisation experiences shared some advice and lessons...

BEFORE EXPANDING OVERSEAS



Prior to market entry, it is crucial to **assess consumer demographics and demand levels**. As highlighted by 84% of companies (NBS, 2023/2024), demand plays a pivotal role in international expansion. Additionally, companies should **evaluate their existing market presence, expansion strategies, and collaboration prospects** within the supply value chain.

Overcoming language barriers and understanding differences in business practices are important.

For example, Japan has a markedly different business culture from that of other advanced economies.

They place high importance in face-to-face interactions for business dealings. Operationally, this would require the need for translation services.

LANGUAGE AND CULTURE



OPENING A BANK ACCOUNT



Broadly, for some markets, slow and ineffective business support services can lead to significant delays. For instance, opening a basic account with an international bank may involve extended processing time, and thereafter, only to realise that it would have been more prudent to **open a local account for efficient tax payments**.

Some companies cited the **Market Readiness Assistance (MRA) Grant and the Enterprise Development Grant (EDG)** as being helpful in helping cover costs associated with establishing a business overseas.

GRANTS





FOR MORE INFORMATION

Click the below links to learn more about
how to expedite your internationalisation journey!

**SAVE
THE DATE**

UPCOMING BUSINESS MISSIONS

- Overseas Market Workshop to Indonesia 4 – 8 March 2024
- The 21st China-ASEAN Expo (CAEXPO) 24 – 28 September 2024

**SAVE
THE DATE**

UPCOMING EVENTS

- Navigating Market Access and Digital Economy in Vietnam
7 March 2024
- Singapore Budget Symposium
8 March 2024

SUPPORT SCHEMES & PROGRAMMES

- Singapore Global Enterprises initiative
- Market Readiness Assistance Grant
- Enterprise Development Grant
- Enterprise Financing Scheme

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