

Vetting and background screening is crucial to successful cross-border expansion

Global economic pressures and tougher market conditions are driving business interest in cross-border business expansion strategies - and Africa is rife with investment opportunity.



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The purpose of cross-border expansion is to not only ensure sustainable growth and business viability for the future, but also innovative adaption and the ability to mitigate growing market risk and uncertainties across the globe. And with research showing that six of the fastest growing economies in the world in 2018 were on the African continent, cross-border business expansion into Africa makes good business sense.

Says Michelle Baron-Williamson, CEO of Managed Integrity Evaluation (MIE): "With technology innovation occurring rapidly across Africa, the continent is known to have leapfrogged ahead in many areas. This is offering businesses the opportunity to explore cross-border expansion, to grow organically and benefit from the many prospects that now exist across the African continent. Despite reports of caution and CEOs projecting a decline in global economic growth this year, cross-border expansion into the land of opportunity should gain interest."

The African Development Bank's latest African Economic Outlook forecast GDP growth of 4% this year and 4.1% in 2020 - indicative of a thriving market open for and seeking investment opportunity.

"However, cross-border expansion is no easy feat and does not come without associated risks and challenges – all of which need to be identified and appropriately addressed if successful cross-border business is to take place," continues

Baron-Williamson.

Such investment expansion relies heavily on supplier and candidate partnerships to be formed, to ensure that the business is able to function optimally across borders, while meeting the needs of the market entered. While this in itself opens up opportunity for both the continent – in the form of offering work opportunities to its people, and the business – who is seeking expansion trade and talent – any potential partnership or candidate risks must be negated for cross-border business relation success.

"Stringent background screening and vetting processes of supplier and labour markets for any cross-border engagements must be a key priority for business decision-makers investing in growth strategies and should form a critical step in any expansion planning," adds Baron-Williamson.

In-depth cross-border screening of potential suppliers and employees will provide a well-rounded profile of the supplier or candidate and will, even more importantly, go a long way to mitigate the risk – reputational and other - that a supplier or candidate, with an undesirable track record, could bring the business.

"With corporate focus rightly positioned towards future business prospects that will result in growth and competitive feasibility, neglect should not occur when it comes to HR and procurement processes with the attraction of cross-border investment prospects. Following the right steps to mitigating all potential risk is essential to expansion success – especially in tougher economies where jobs and business opportunities are scarce. Of course, each country across the continent will have its own set of laws around such vetting processes and so partnering with a reputable service provider, who has the knowledge and expertise to support a business in getting this right, is paramount," concludes Baron-Williamson.

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