

When our economy is in the toilet, how do we grow?

 By [Rob Green](#)

9 Feb 2018

It is no secret that we all have concerns about South Africa's economy and the future. With crime, corruption, political uncertainty and even a lack of water in some places playing a huge role, as well as dismal employment figures, higher costs of living and the inevitable fallout of these, moods are generally grim.



© dmytro iakhnia via [123RF.com](#)

Many of the issues facing businesses in SA today are out of the control of business owners. Even so, running a business still has many advantages along, of course, with the stress and responsibilities it brings. And leaders of all firms, no matter the size, have a duty to continue to protect and grow their businesses to in turn work towards a better South African economy.

What offers a potential solution? It might seem contradictory to suggest expansion after mentioning the many concerns above but when the economy in your own market is not fruitful nor performing well you have to look 5 to 10 years ahead to see what will potentially bring success – and looking overseas could very well be the answer.

The risks are significant

There are currently many industries that would do well to look abroad, for example, in Cape Town alone there are some well-placed firms, particularly in the technology space. Consider Silicon Cape – it is extremely attractive with immense opportunity and so much to offer. Some firms are involved in very exciting projects and overseas expansion would allow these firms to attain far greater goals than the more limited success they will enjoy here.

The risks are significant, of course. You have to really know and understand the market you are entering as companies that truly have their finger on the pulse will be the ones with a competitive advantage.

To start off, companies need to re-evaluate their business offering and build bulletproof relationships with the customers they currently have. And then adequate preparation and research need to be done to find appropriate opportunities overseas. Consider where your product or service will work. For example, if you look at mainland Europe, post-Brexit will offer a host of opportunities for start-ups. However, at the end of the day, the most important consideration is 'people'. You can have the best product or service but if you don't have the right people, whether locally or internationally, you will not succeed.

Africa is attractive to foreigners

Consider whether to employ new people internationally or potentially transfer key employees looking for an exciting opportunity. The advantage to this is they already know and understand your business and will aid in keeping uniformity across countries which is, of course, important. Regardless of the size of your company, if someone likes working with you, they will want to work with you anywhere in the world and might very well welcome the exciting opportunity of broadening their experience.

However, if you consider expanding into other African countries, for example, there are distinct advantages to employing locals in your new office. Africa does business in its own way with each individual country being unique and having its own requirements and understanding. Having someone who knows the way business is done and who enables you to 'hit the ground running' as soon as possible is invaluable.

Africa, as we know, is very attractive to foreigners – take one sector, the legal industry, and in the last 5 years alone there has been an influx of foreign law firms establishing offices on the continent while using South Africa as a gateway. Why should we sit back and let others move in here? Why not start thinking about how we can have an impact on their home markets?

Expanding into the rest of Africa makes sense for many businesses here too who already have the competitive edge of being established in SA and who now should consider more of the continent.

In challenging times businesses tend to retract and refrain from investing in their future. Instead, they should consider expansion and the international opportunities available to them.

Tough times breed great leaders

By not having all eggs in 1 basket, firms are able to spread the risk. And with the right preparation, courage to expand, having the appropriate people in place and of course much hard work and commitment, success is possible. Just because your home market is starting to become saturated, why can't your product or service work well overseas?

At the end of the day, expansion not only helps individual firms but the South African economy as a whole too. By succeeding internationally, it helps local offices and brings a further spotlight onto SA and the potential opportunities for international trade and investment. Not to mention an increase in tourism. This can lead to more direct foreign investment, which means more jobs and opportunities and potentially an easing of our challenging economy.

Tough times breed great leaders – step up, fight for the future and your people, and prepare for what lies ahead. Considering expansion outside of SA means an undeniably exciting challenge with potential business growth and success which will help you locally while flying the flag! We all know that South Africa is open for business, but if no one is buying, it's time you spread your wings and start thinking globally.

ABOUT ROB GREEN

Rob Green is CEO of GRM, an executive search, market entry, board advisory and leadership consulting firm with offices in Asia and Africa. He has 15 years experience helping companies move successfully into new markets and identifying the right talent to help their clients fulfil their objectives.

» When our economy is in the toilet, how do we grow? - 9 Feb 2018

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>