



Nov 11, 2020 11:44 CET

The most important question you need to ask in any overseas expansion

For any software company about to embark on international expansion, the list of questions that need to be answered can feel endless.

Which region should we enter? Which roles will we need from day one? How will we find great local talent? Which products should we launch with? How profitable is this actually going to be?

But – there's one question that far too few software companies remember to ask aloud. And in a lot of cases, it's the most important question of all:

“What will this overseas expansion mean for our product roadmap?”

It can be hard to admit, but your existing solution won't automatically be the perfect fit for every new region or market. The new customer base you decide to target will have its own new needs.

And if you're not ready to reflect those needs in your product roadmap, you're setting your salespeople – and your whole overseas expansion exercise – up to fail. Here's how to get it right.

Do your research, and let it guide your market expansion strategy.

When deciding where you'll expand, thoroughly explore the market you'll be selling into, including the integrations your customers will expect.

As Peter Larsson, Chairman of the Board for SaaS companies Outpost24, Itello and Viedoc, explains, “Integration needs are often more localised than you might think. Many markets have their own ‘local champion’ when it comes to ERP systems. If you're going to sell a B2B solution successfully, there's every chance you'll need to develop that extra integration.”

The more sophisticated your offering, and more regulated your industry, the more resources you may need to be ready to invest in additional product development.

Larsson underlines this point by drawing on a company he knows well, “Think about Itello, which provides solutions to the Nordic life and pension industry. If we wanted to take Itello to the UK, where the life and pension industry is very different, it would have a major impact on our product roadmap.”

Always listen to your people on the ground.

Let's say you've reviewed your market expansion strategy, and factored in anticipated changes to your product roadmap. From this solid foundation, you've taken the leap, set up an overseas office, and put together your local team.

Now, be wary of treating your product roadmap as if it's set in stone. You've

taken the time to find and hire great salespeople. Listen to what they're telling you, and be ready to flex your roadmap accordingly.

Larsson continues: "There's often a tendency to think, 'No, we understand the market. We have our roadmap. You're salespeople. Go ahead and sell'. "Companies don't listen to the people who are actually meeting the customers in their new markets."

Crucially, it's not just sales that are at stake. It's the overall morale and cohesion of your fledgling team. "When you don't build local feedback into your roadmap, even good salespeople lose motivation very quickly," explains Larsson. "They feel ignored. The product becomes an excuse for lost deals. Suddenly, you find you have two companies within your company."

Take it slow during overseas expansion – and be ready to flex

In the consumer software space, speed is essential. You need to be out there in multiple markets, and you need to be out there before the competition. Not so in B2B.

"In business to business software," says Larsson, "there's usually less need to engage in land-grabbing exercises. So if this is your first time expanding overseas, don't try to tackle multiple regions at once – the reward simply isn't worth the risk."

If you focus on one region at a time, it'll be easier to redraw your product roadmap when unexpected needs inevitably arrive. And that means smoother, more successful market expansion.

More practical tips for Nordic companies expanding into new markets

Taking a software company overseas is exciting, rewarding – and occasionally overwhelming. It's always good to get advice from people who have made the trip before.

For more tips and insights about international expansion – from identifying new markets to hiring the right people – read [The field-guide to international expansion for Nordic software CEOs](#).

Monterro is the leading B2B software investor in the Nordics, with a mission to turn Nordic software companies into market leaders and global players within their niches. Our team has successfully developed and led companies such as Pointsec, Episerver and Orc Software – and we bring this operational experience to the Monterro portfolio, supporting the companies in all aspects of growth. We also bring significant financial commitment to our partnerships, with 30% of capital coming from our partners and employees.

Contacts



Gustav Lagercrantz

Press Contact

CEO

At Monterro, Gustav is the Chairman of the Board of Matilda Foodtech, Next, and TimeEdit, and a board member at Umbraco

gustav.lagercrantz@monterro.com

+46 70 734 74 11