



GP
Global Made Possible

Top 10 International Expansion Mistakes to Avoid



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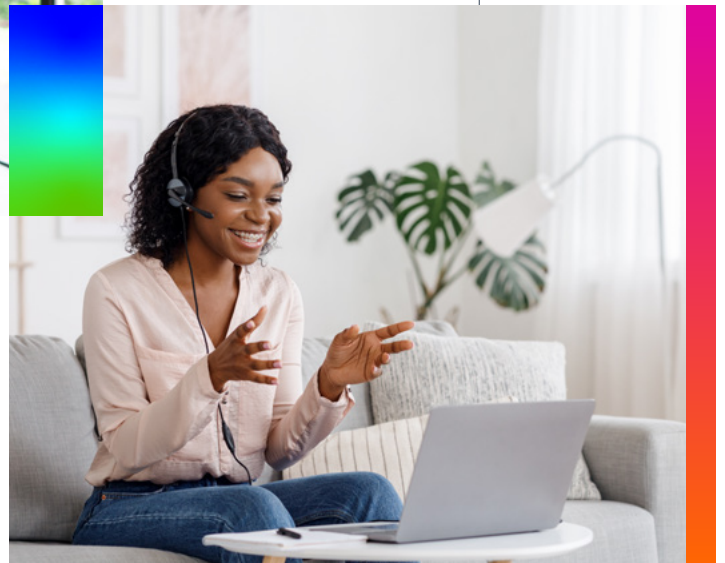


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What we do

G-P enables companies to quickly and easily expand into 180+ countries without the hassle of setting up local branch offices or subsidiaries. You identify the talent, and we employ your team member via our #1 SaaS-based Global Employment Platform™. Our industry-leading technology and in-region experts empower businesses to hire around the globe confidently and compliantly, lifting the burden of figuring out HR, tax, and legal matters from your shoulders to ours.

G-P: Global Made Possible

Global growth is always good for business, right?

Expanding to international markets can be transformative for your company, but without a clear vision, a solid plan, and thoughtful execution, it might not deliver the results you expect.

Making any of these 10 international expansion mistakes could set your business back and slow down growth instead of boosting it.

As a leader in the global expansion space, we've observed how international growth has helped, but also how it's hurt businesses, especially those without the right strategy in place.

Here are the top 10 international expansion mistakes to look out for, plus tips for how to avoid them.



Mistake #1:

Making a hasty offer letter

There's no doubt about it: International expansion is exciting. And when you find the perfect candidate to help take your company to the next level, you want to make an offer – fast.

What many companies do in this situation is issue a U.S. employment offer letter even when the candidate is based in another country. But this is a major misstep, for two big reasons.

First, the offer of employment you send to an international candidate will have U.S.-centric language, such as at-will employment, which is not only illegal in countries outside of the U.S. but could make the entire contract unenforceable if taken to court, and that could be costly for your company.

Second, disregarding local employment laws could commit you to a lot more compensation than you initially estimated. For instance, if you offer USD 120,000 annually to an employee based in Portugal, you must factor in the nation's custom of a 13th and 14th-month

bonus, which would add another USD 20,000 onto the total compensation. Failing to localize employment terms in contracts can cause unexpected expenses and, ultimately, blow your budget.

What should you do?

Once you find the ideal fit for the role, you should act fast. If your candidate is in another country, consult a local labor law expert before you make an offer, verbal or written.

They will inform you about compensation requirements, including fringe benefits, in the candidate's country and guide you on the best legal way to proceed.

You want to secure top talent, but you also want to protect the interests of your business, and global growth experts can help you walk that line.

Mistake #2:**Hiring for today vs. hiring for a long-term fit**

You are excited to onboard new international employees – but are they a good fit for your company’s long-term future?

For example, say you hire a new executive who is based in Australia, but the rest of your management team is located on the east coast of the United States. Due to the difference in time zones, in-person video or audio meetings would be difficult to organize, which could affect the team’s collaboration and productivity. Global teams can be incredibly beneficial to a company’s culture; however, employers should center their talent acquisition strategy on long-term business goals to find employees that will flourish and grow with the company versus simply filling a job vacancy.

What should you do?

According to [Investopedia](#), it can take up to six months for a company to break even on its investment in a new hire.

Always make hiring decisions within the context of the larger vision for your business. Without a long-term plan and strategy for the future, it’s harder to know if you’re selecting the right people to join your team. Clarity on business goals can help you identify candidates who are aligned with your needs.

**Mistake #3:****Not selecting entrepreneurial leaders**

When you’re expanding internationally, there is a lot that you don’t know. From cultural norms to local customs, you’re going to be depending heavily on your new international employees to help you navigate the market and define the best path forward.

If you hire an employee who needs to be told what to do on a day-to-day basis, you’re going to miss out on the proactive insight you could gain from someone who’s able to jump in and volunteer ideas.

What should you do?

When hiring, don’t just focus on technical skills and experience. Screen for soft skills and working style. Ask questions that help you determine if the employee shows initiative, adaptability, and has a problem-solving personality.

When checking references, ask specifically about how the employee helped propel a company’s growth through curiosity and innovation. You will need international team members with these characteristics to sustain a high level of growth in new markets.

Mistake #4:**Misclassifying independent contractors**

Hiring independent contractors instead of full-time employees might seem like a fast way to get a worker on board and bypass the complexities of entity setup, but it could be one of the top pitfalls to sustainable international growth.

Both employees and contractors play key roles for fast-growing companies, but it's critical to [classify them properly](#). If the contractor you hire functions as an employee and local authorities find out, you could owe hundreds of thousands of dollars in back taxes and unpaid benefits.

What should you do?

Hiring contractors doesn't come without risk. Whether sourcing talent or starting operations in a new market, worker classification should not be taken lightly.

Each country enforces unique worker classification criteria; examine these carefully to ensure you are abiding by local labor laws. Whether you invest in an entity or use a global employment platform, you're preserving the bottom line through smart risk management.

**Mistake #5:****Applying outdated hiring practices**

The war for talent is at an all-time high, both in the U.S. and around the world. One of the big international expansion mistakes is assuming that it will be easy to locate top global candidates, but this can often be the hardest part.

If you don't put together a fully compliant and competitive benefits package, top-tier talent will likely overlook your company. To remain competitive in today's market, you must also develop a networking strategy to build a solid employer brand and attract skilled candidates.

What should you do?

With 25 million new project professionals needed by 2030, according to PMI's 2021 Talent Gap report, these labor shortages will only intensify the challenges of delivering projects that are on time, on budget, and that meet customer expectations.

Limiting your talent search to one geographical location is an outdated hiring strategy. Research emerging hiring hubs and select locations based on industry and role type as a way of simplifying the global talent search process.

Mistake #6:**Underestimating the complexities of global payroll**

International payroll is very complex – you can't just transfer money to an international bank account. You must pay employees in their local currency, and then there are taxes and withholdings to consider.

As the employer, it's your responsibility to make sure payments are issued properly and on time. Waiting until payday to figure this out can have severe consequences, such as suspension or permanent loss of your business license.

What should you do?

Think through every aspect of the international hiring process, especially payroll, before making an employment offer. Take the time to assess the legal requirements for moving money across international borders, exchange rates, pension requirements, social security regulations, annual bonuses, and expectations for tax withholding.

Mistake #7:**Ignoring the importance of the human connection**

Once your international team member is on board, it's critical to invest time in getting to know them and their communication style.

Building a human connection is one of the biggest challenges for companies that go global because working styles differ greatly across cultures.

What should you do?

Use today's technology to create, build, and nurture a real human connection between management and employees. While tools such as Zoom and Slack can be used to assign work tasks, they can also enhance one-on-one connections.

Stay in touch through regular video meetings with your employees and get creative with your team-building activities. Use trivia games or icebreakers to reduce the social limitations of fully remote work.

Modern technology can help us connect; however, it's important that you are engaged in these meetings, so make sure you turn off your device notifications, put your phone away, and listen to your talent.





Mistake #8:

Not giving employees enough autonomy

Micromanaging never works, especially with remote workforces.

First, it shows you don't trust your employees enough to give them ownership. Second, you probably don't know nearly as much about the local culture as your local employees do.

Trusting your team empowers them to use their entrepreneurial spirit to figure things out and sets the tone for a collaborative and productive workplace.

What should you do?

Establish a culture of signing off and work-life balance. Ensure that your managers are promoting that it's OK to disconnect and spend time away from work devices.

Many employees value flexible work environments. In fact, [72 percent of employees](#) would search for new opportunities if their schedule wasn't flexible.

To avoid micromanaging, it's extremely important to clearly communicate business goals so all team members are on the same page and work toward a common purpose. When managing global teams, embracing asynchronous communication is key. This encourages your remote team members to work when it suits them best and they are at their most productive rather than spending time replying immediately to emails or instant messages.

Mistake #9:

Downplaying the importance of a global mobility strategy

The age of remote work has made it possible for employees to do their jobs from anywhere in the world, leading many to consider relocating outside their home countries.

A sound global business strategy should now include a plan that enables team members to compliantly work from any location across the globe.

What should you do?

Implement a global mobility strategy to ensure your company can harness the skills of digital nomads and team members who want to relocate.

Here are three key factors to consider:

- **Visa requirements:** Relocating an employee involves obtaining the appropriate [documentation and visas](#). Be very clear about the level of support your company is capable of providing throughout the visa process.
- **Employee wages and benefits:** Each country has specific rules regarding wages and benefits. Ensure you and your employees understand the regulations within the country they are moving to.
- **Compliance:** Labor, tax, and payroll laws vary by country and are constantly evolving. Inability to follow these rules can lead to a tarnished company reputation as well as legal penalties and fines.

Mistake #10:**Failing to comply with in-country regulations**

Businesses who are only hiring one or two international employees may not spend the time and resources to research the local compliance environment. What labor laws apply to your industry or type of hire? What are the country's laws surrounding data privacy?

Even if a business plans on partnering with a global employment platform, researching common compliance issues that will most frequently affect your company is helpful – internal teams should be well versed to support local employees and avoid hefty fines.

What should you do?

Get familiar with the basics of any in-country employment arrangement and the regulations that apply to your business. You don't have to be an expert, but awareness will help you identify the right experts to help you manage risk.

For example, in the United States, at-will employment is the norm, which means that the employment relationship can be terminated at any time, by either the employee or employer, for any lawful reason. However, in France, an employer must have a "real and serious cause" and must comply with a specific procedure to terminate an employee. Researching these nuances will help streamline your global hiring ventures.

The everywhere workforce awaits you.

Today's workplace is constantly changing. With technology enabling real-time human connection across continents, innovation happens fast. Don't let the slow wheels of legal systems and the complexities of international financial and tax regulations hold you back.

When an expansion opportunity is on the horizon, turn to G-P. Our industry-leading SaaS-based Global Employment Platform™ handles international expansion and compliance so you don't have to. We take the pain out of managing global HR, payroll, benefits, and more.

Our strict adherence to legal compliance protects and insulates our customers from common expansion headaches, avoiding costly lawsuits and payouts.

[Contact us](#) today to see how we can help you grow your business globally.





About us

G-P helps growing companies unlock their full potential by making it possible to build highly skilled global teams in days instead of months. Through our SaaS-based platform, we help find, hire, onboard, pay, and manage team members, quickly and compliantly, to expand growth opportunities for everyone, everywhere – without the hassle of setting up local subsidiaries or branch offices. We pair the industry's most responsive technology with our world-class legal, HR and tax expertise to support and guide your growth, anywhere in the world.

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