



GROWTH IN A GLOBAL MARKET

Expanding your international footprint



Globalisation in business is nothing new – but it is becoming increasingly commonplace as markets become better integrated and accessible. This, alongside an increased demand for British heritage brands, means international expansion is a "must" for many British FMCG manufacturers. Whilst expanding into overseas markets can be capital and time intensive, and potentially risky, spending time at the outset assessing your strategy and motives can pay dividends. Some questions to ask yourself:

- Route to market (RTM) do you want to establish or acquire your own facilities abroad, or test the market by partnering with a local manufacturer or distributor? What is the most efficient structure to get your products to consumers, including customs considerations, and how much control do you want over the RTM in order to optimise your return?
- Structure If partnership is an option, should such a collaboration be through a jointly-owned vehicle, or is a contractual-based arrangement better, at least in the short term whilst you test the market?
- ▶ Local market challenges expansion into new markets can carry unexpected risks and logistical challenges, including potential restrictions posed by local laws and regulations. You need to know and understand the restrictions that could potentially impact your business and how to negate these

- Brand protection your brand is key, so you need to ensure you have adequate protections in place, e.g. local trade mark registrations. Another consideration is what restrictions should be placed on counterparty use of your IP?
- Exit strategy If things do not work out, what are the trigger points for an exit and is it right to plan now for separation down the line? E.g. underperformance, funding shortfall, deadlock on key matters – what are the ground rules for break-up?
- ➤ Contingency planning what happens if one of your key customers or suppliers goes into insolvency? If an in-market manufacturer or distributor terminates its arrangement with you, what rights do you want against them and how do you enforce those rights?
- Manufacturing how do you ensure the quality of your products is consistently replicated abroad? What product liability protections do you want to have in place and who should foot the bill if things go wrong?

How we can help

STRUCTURING YOUR EXPANSION LOCAL MARKETS ▶ Joint Ventures ▶ Local laws and regulations ▶ Collaboration and strategic alliances ▶ Risk management and mitigation ▶ Acquisition of overseas facilities ▶ Routes to market and knowing your consumer ▶ Financing ▶ Contingency planning & due diligence

BRAND PROTECTION	REDUCING COSTS
 Local trade mark registrations and IP protection Control over third party use of your IP Product liability protections and recall strategies 	 Competitive fee proposals Embedded Transaction Services Team of paralegals Development of standard precedents and approaches
	 Sharing industry know-how, market practice and horizon scanning updates

Who we have helped

We have advised **Britvic** on the acquisition of Ebba in Brazil, giving Britvic access to the world's sixth largest soft drinks market; **Diageo** on various strategic investments including the acquisitions of the Meta Abo brewery in Ethiopia, Serengeti Breweries in Tanzania and Namibia Breweries in Southern Africa; **Hikma Pharmaceuticals** on its Ethipian joint venture to design, build and operate a drug manufacturing facility in Addis Ababa; **Royal Mail** on their Joint Venture with Ali Baba; and a large food manufacturing company on the acquisition of all major plant and technology required for the construction of Europe's most advanced dairy facility.

Who to contact

PAUL BENTHAM Partner

0161 934 6337 paul.bentham@addleshawgoddard.com



JAMES WHITTAKER Partner

0161 934 6329 james.whittaker@addleshawgoddard.com



ANDREW ROSLING Head of Retail & Consumer

0207 880 5613 andrew.rosling@addleshawgoddard.com



© 2017 Addleshaw Goddard LLP. All rights reserved. Extracts may be copied with prior permission and provided their source is acknowledged. This document is for general information only. It is not legal advice and should not be acted or relied on as being so, accordingly Addleshaw Goddard disclaims any responsibility. It does not create a solicitor-client relationship between Addleshaw Goddard and any other person. Legal advice should be taken before applying any information in this document to any facts and circumstances. Addleshaw Goddard is an international legal practice carried on by Addleshaw Goddard LLP (a limited liability partnership registered in England & Wales and authorised and regulated by the Solicitors Regulation Authority and the Law Society of Scotland) and its affiliated undertakings. Addleshaw Goddard operates in the Dubai International Financial Centre through Addleshaw Goddard (Middle East) LLP (registered with and regulated by the DFSA), in the Qatar Financial Centre through Addleshaw Goddard (GCC) LLP (licensed by the QFCA), in Oman through Addleshaw Goddard (Middle East) LLP in association with Nasser Al Habsi & Saif Al Mamari Law Firm (licensed by the Oman Ministry of Justice) and in Hong Kong through Addleshaw Goddard (Hong Kong) LIP, a Hong Kong limited liability partnership pursuant to the Legal Practitioners Ordinance and regulated by the Law Society of Hong Kong. In Tokyo, legal services are offered through Addleshaw Goddard's formal alliance with Hashidate Law Office. A list of members/principals for each firm will be provided upon request. The term partner refers to any individual who is a member of any Addleshaw Goddard entity or association or an employee or consultant with equivalent standing and qualifications. If you prefer not to receive promotional material from us, please email us at unsubscribe @addleshawgoddard com. For further information please consult and way addleshawgoddard and com or wwww.addleshawgoddard.