

NEW OPPORTUNITIES, NEW CHALLENGES

Taking your business to new markets and new consumers



Fashion and beauty is a UK export success story as more and more businesses turn their attention away from a challenging home market, and take their brands overseas. With the fallout from Brexit yet to be fully realised, the European market is uncertain and strong demographics and growing prosperity in emerging markets makes the latter a particularly tantalising opportunity. Inevitably such an opportunity is matched by significant risk and unique challenges, needing clear visualisation and planning.

Translation factors

- ▶ Different consumer and market demographics (e.g. disposable income, seasonal behaviours, clothes sizes, product ranges as well as ways of buying, shopping and consuming.)
- ▶ Different languages, laws and regulations (e.g. foreign ownership, land ownership, employment practices, labelling/content, health and safety, environmental tax and competition rules).
- ▶ Different ways of doing business may need you to revisit existing protocols to remain compliant whilst respecting local practices.
- ▶ Culture and consistency are key. How do you make sure local teams 'wear your t-shirt' in a way that is consistent with your usual approach, whilst recognising local differences?
- ▶ Brand/label get-up adjustments (and protection).
- ▶ Local operational quirks which prioritise certain business advantages over seemingly logical efficiencies (e.g. routing distribution in a way that takes longer but creates a tax benefit).
- ▶ Local rules around agents and distributors which influence the structure of your distribution network and market positioning.

Structural and execution factors

- ▶ Structure and local partnering – there are many structural options, with differing levels of commitment; choosing the right partner and being connected with the right local advisors is essential. Each market is different, so who can help you navigate unfamiliar waters?
- ▶ Ensure fit with existing activity – are you providing a new channel to customers who are already finding you through pre-existing online channels? If so, will you undermine your existing business or the new market venture? And how far can you legally keep the two streams separate?
- ▶ Supply chain planning - if your current suppliers aren't capable of delivering your new business needs, how do you choose new local suppliers? And if they are capable, how do you scale up and plan different logistics with them?
- ▶ Money flows - from capital requirements and transfer pricing to tax planning and currency risks, how do you optimise your investment?
- ▶ Governance – supervising and protecting a new business on the ground and ensuring governance levels match with UK requirements (e.g. directors' duties, disclosure obligations).
- ▶ Navigation of administrative, cross-border processes, including governmental and regulatory practices, can be bureaucratic and time consuming

Leading practice with a full advisory offering handling all issues facing the retail sector. Stands out for its extensive expertise in national and international corporate transactions

How we can help

ENGAGING IN THE NEW MARKET	STRUCTURE
<ul style="list-style-type: none">▶ Choosing and supervising the right local lawyers for you, asking them the right questions and delivering premium, consistent output▶ Ensuring the right legal protections and compliance for your brands and products▶ Applying your policies, negotiation flex and strategic imperatives to the entry documentation and on-going integration▶ Providing regular updates on macro-environmental factors and legislative change in-country, as required	<ul style="list-style-type: none">▶ Structure planning – tax factors, legal entities, accounting implications, treaty protection, enforcement recognition and local governance needs▶ Effective and robust commercial contracts (and any key investment / joint venture / partnering contracts)▶ More complex structuring, e.g. using put and call options, earn outs and management incentives to shape your entry route and timing and a seller's exit planning▶ Implementing good governance systems and protocols▶ Funding advice and execution, through debt and/or equity
EXECUTION	REDUCING COSTS
<ul style="list-style-type: none">▶ Project management to transaction completion and through integration planning▶ Oversight of third party processes (e.g. local approvals) and application of your 'ways of working' to local customs and norms▶ Risk analysis and mitigation reporting (e.g. compliance, counterfeiting, enforcement planning)▶ Diligence on sellers, partners, target businesses and territory (including compliance factors)	<ul style="list-style-type: none">▶ Competitive fee proposals▶ Use of our embedded Transaction Services Team of over 130 paralegals▶ Using on-market precedents and approaches▶ Sharing industry know-how and market practice▶ Working collaboratively with your other advisors to provide joined-up and actionable advice and guidance

Who we've helped

We have helped a range of our clients expand into new markets all over the world, including; Britvic (into Brazil and India), Diageo (into Southern Africa, Ethiopia and Tanzania), Hikma (into East Africa) PZ Cussons (into West Africa) and Royal Mail Group (into China with Alibaba).

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