ROMAM VENTURES

INTERNATIONAL MARKET ENTRY

A Practical Guide for Small and Medium-Sized Businesses

CONNECTING MARKETS. CREATING OPPORTUNITIES.

A practical framework for evaluating, selecting and entering a new international market.

FREE EDUCATIONAL RESOURCE

Prepared by RomAm Ventures
United States ↔ Romania and beyond

About this guide

International expansion can create new customers, partnerships, supply-chain options and sources of growth. It also introduces unfamiliar legal, financial, cultural and operational requirements. This guide provides a structured starting point for making those decisions.

This guide is designed for business owners, founders and managers considering sales, sourcing, partnerships, investment or establishing operations in another country.

What this guide helps you do

- Assess whether your business is prepared to pursue an international opportunity.
- Screen and compare potential target markets.
- Gather reliable market, customer and competitor information.
- Identify regulatory, tax, employment and operational questions requiring local verification.
- Choose an appropriate market-entry approach.
- Evaluate distributors, agents, advisers and local partners.
- Estimate costs, identify risks and build a practical action plan.

How to use it

Work through the guide in sequence. Record assumptions, evidence, questions and decisions. Treat early estimates as provisional until confirmed with official sources and qualified local professionals. A market-entry decision should be based on evidence, not enthusiasm alone.

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1. Start with your business objectives

Before selecting a country, clarify what your business wants to achieve. Different objectives lead to different market choices and entry strategies.

Common international objectives

- **Sell products or services:** reach new customers, diversify revenue or extend the life of an existing offer.
- **Source goods or inputs:** access suppliers, materials, components or production capacity.
- **Establish operations:** create a local entity, branch, office, warehouse, service location or production capability.
- **Build partnerships:** work with distributors, agents, resellers, subcontractors, joint-venture partners or technology partners.
- **Participate in public procurement:** pursue government, municipal, defense, multilateral or institutional opportunities where eligible.
- **Invest or expand a supply chain:** establish a longer-term commercial presence or improve resilience.

Define the opportunity precisely

Write a short opportunity statement that identifies the product or service, target customer, country or region, expected value proposition and reason the opportunity exists. Avoid vague goals such as “expand into Europe.” Specify which customers, which offer and what problem you intend to solve.

Example opportunity statement

“We will evaluate whether our industrial maintenance service can be sold to mid-sized manufacturers in two selected Central European markets through local service partners during the next 12 months.”

Set measurable objectives

- Target customer segments and number of prospects to validate.
- Expected revenue, margin or strategic value, with a realistic time horizon.
- Maximum investment and cash exposure before the first sale.
- Milestones for market validation, partner selection and first contract.
- Conditions that would cause the business to pause or exit the initiative.

2. Assess your international readiness

A promising market cannot compensate for a business that is not prepared to serve it. Review the areas below before committing significant resources.

Area	Questions to consider
Offer	Is the product or service proven? Can it be adapted to local needs, standards, language or customer expectations?
Customer evidence	Have you spoken with potential buyers? Is there evidence of demand beyond general market-size statistics?
Capacity	Can you deliver at the required quality, volume, speed and service level without damaging existing operations?
People	Who owns the initiative? Do you have language, sales, technical and local-market capabilities?
Finance	Can you fund research, travel, legal advice, market development, inventory and a longer sales cycle?
Compliance	Have you identified product rules, licenses, sanctions, export controls, privacy and sector-specific requirements?
Commercial model	Can you price profitably after duties, freight, commissions, taxes, localization and support?
Execution	Do you have a practical plan, decision gates, performance measures and an exit option?

Readiness decision

Classify each area as **Ready**, **Needs work** or **Unknown**. Unknown is not the same as low risk: it means more research is required. Address critical gaps before signing long-term commitments, hiring staff or investing in fixed assets.

> **Practical rule**
>
> Do not treat a readiness score as a guarantee of success. Use it to identify gaps, assign owners and decide what evidence is needed before proceeding.

3. Screen and compare target markets

Start with a manageable shortlist. A disciplined comparison of two or three markets is usually more useful than a superficial review of many countries.

Build a longlist, then shortlist

- Identify markets where your current customers, suppliers, competitors or partners already operate.
- Look for evidence of demand, relevant industry clusters, procurement activity or unmet customer needs.
- Consider practical access: transport links, language, time zones, regional coverage and ease of servicing customers.
- Remove markets where legal restrictions, sanctions, licensing barriers or economics make the opportunity unsuitable.

Suggested comparison factors

Factor	What to investigate
Demand	Customer numbers, buying behavior, sector growth, procurement plans and evidence of actual spending.
Competition	Direct and indirect competitors, substitutes, pricing, market concentration and differentiation.
Access	Tariffs, customs, trade arrangements, local-content rules, distribution channels and market access barriers.
Regulation	Licensing, standards, product approvals, data rules, labor rules and sector oversight.
Economics	Taxes, labor costs, property, logistics, currency, payment practices and expected margins.
Stability	Political, legal, economic and security conditions relevant to your business.
Fit	Cultural fit, language, partner availability and compatibility with your capabilities.

Use weighted scoring carefully

Score each shortlisted market against factors that matter to your business. Assign greater weight to factors that are critical to your product, customer or delivery model. Document the evidence behind each score and identify where information is missing. A numerical score supports discussion; it does not replace judgment.

4. Research customers, competitors and demand

The purpose of market research is to test whether identifiable customers have a problem your business can solve and whether they will pay for your solution on commercially acceptable terms.

Use multiple sources of evidence

- **Official statistics:** national statistical offices, customs authorities, central banks, ministries and public procurement portals.
- **Trade and investment bodies:** export promotion agencies, investment promotion agencies, chambers of commerce and recognized trade associations.
- **Industry sources:** sector reports, trade publications, professional associations, conferences and standards organizations.
- **Customer discovery:** structured interviews with buyers, users, procurement teams, distributors and other market participants.
- **Competitor research:** public websites, product catalogs, published pricing, tenders, customer references and market positioning.

Questions for customer interviews

- What problem are you trying to solve, and how do you solve it today?
- What matters most when selecting a supplier: price, quality, delivery, certification, local support or track record?
- Who influences, evaluates, approves and pays for the purchase?
- What is the normal buying process and sales cycle?
- What budget or procurement route is available?
- What would prevent you from buying from a foreign supplier?
- What evidence, references, certifications or local presence would you require?

Distinguish market size from reachable demand

A large national market does not mean a large opportunity for your company. Estimate the portion of the market you can realistically serve, given your product, geography, price, capacity, competition and access to buyers. Record the assumptions used in any market-size estimate.

> **Evidence hierarchy**
>
> A signed purchase order or repeat customer is stronger evidence than a positive interview. A documented procurement plan is stronger than a general expression of interest. Record the source, date and confidence level of every important claim.

5. Understand the operating environment

Before entering a market, identify the rules that apply to your particular activity. Requirements vary by country, industry, product, customer type and business structure.

Areas to investigate

- **Company formation:** entity types, ownership restrictions, registration, beneficial ownership, local directors or representatives and ongoing filings.
- **Tax:** corporate income tax, VAT or sales taxes, withholding taxes, permanent establishment exposure, transfer pricing and tax treaty considerations.
- **Licenses and permits:** sector approvals, professional licenses, operating permits, product registrations and local authority requirements.
- **Employment:** work authorization, payroll, social contributions, labor contracts, working time, termination and occupational safety.
- **Product and service rules:** technical standards, conformity assessment, labeling, consumer protection, warranties and sector-specific rules.
- **Trade and customs:** tariff classification, customs valuation, origin rules, import permits, export controls, sanctions and restricted-party screening.
- **Data and technology:** privacy, cybersecurity, cross-border data transfers, intellectual property and software or technology restrictions.
- **Banking and payments:** account opening, foreign exchange, payment terms, credit risk, anti-money-laundering controls and documentation.

Verify requirements before committing

Use official government and regulatory sources wherever possible. Ask qualified local legal, tax and accounting professionals to confirm how the rules apply to your specific business model. Keep a record of the source, date checked, responsible person and any unresolved question.

> **Important**
>
> This guide is general education, not legal, tax, accounting, customs or regulatory advice. It does not establish that a company is eligible for a license, certification, procurement opportunity or tax treatment.

6. Select a market-entry strategy

The best route depends on your objectives, investment capacity, product, customer expectations, regulatory requirements and desired level of control.

Approach	Potential advantages	Questions and trade-offs
Direct export or remote sales	Lower fixed investment; direct customer relationship.	Can you handle sales, delivery, support, tax and local requirements from abroad?
Distributor or reseller	Local market reach, customer access and potentially faster coverage.	How much control do you retain over pricing, customer data, service quality and brand?
Commercial agent	Local prospecting and relationship support without necessarily buying inventory.	Is the agent legally and commercially suitable? What commission, authority and termination terms apply?
Strategic partnership	Combines complementary capabilities, networks or resources.	How will responsibilities, revenue, IP, customer ownership and liability be allocated?
Subcontracting or teaming	Access to larger contracts and established prime contractors.	Can you meet flow-down clauses, security, quality, insurance and performance requirements?
Local entity or branch	Greater local presence and potential operational control.	What are the setup cost, governance, tax, reporting and closure obligations?
Joint venture or acquisition	Access to established assets, staff, licenses or market position.	What due diligence, integration, governance and exit protections are needed?

Choose the minimum viable entry route

Where practical, test demand with a limited commitment before establishing permanent operations. A pilot, first customer, distributor trial or subcontract can reveal real costs and customer expectations. Ensure that even a pilot complies with applicable laws and contractual requirements.

7. Find and assess local partners

Local partners can provide customer access, market knowledge, delivery capacity and credibility. They can also create dependency and reputational, legal or commercial risk if selected without adequate checks.

Potential partner types

- Distributors, wholesalers and resellers.
- Sales agents, business development representatives and commercial intermediaries.
- Local service providers, installers, logistics companies and subcontractors.
- Professional advisers, accountants, lawyers and regulatory specialists.
- Joint-venture partners, manufacturers, suppliers and technology firms.

Partner due diligence checklist

- Verify legal identity, registration, ownership and authority to represent the business.
- Understand beneficial ownership and identify potential conflicts of interest.
- Review relevant experience, references, customers, capabilities and financial standing.
- Check sanctions, debarment, adverse media and other integrity concerns using appropriate sources.
- Confirm required licenses, insurance, certifications, security and technical qualifications.
- Assess reputation, litigation, disputes and history of contract performance where information is available.
- Agree on scope, territory, exclusivity, pricing, commissions, targets and reporting.
- Define confidentiality, data protection, intellectual property and customer ownership.
- Establish anti-bribery, records, audit, subcontracting and compliance expectations.
- Use written agreements reviewed by qualified counsel before making commitments.

Protect the relationship

Avoid giving a third party authority to bind your company unless that authority is expressly intended and documented. Define who may make offers, sign contracts, collect funds, use your brand and communicate with government or commercial customers. Include performance reviews and clear termination provisions.

8. Build the financial case

International expansion often costs more and takes longer than expected. Build a transparent model that separates one-time setup costs, recurring operating costs, transaction costs and working-capital needs.

Cost group	Examples to consider
Research and validation	Market research, travel, translation, customer interviews, trade events and local advice.
Setup and compliance	Registration, licenses, legal review, accounting setup, certifications, product testing and insurance.
People and presence	Local employees, contractors, payroll costs, office, warehouse, utilities and training.
Sales and marketing	Partner commissions, bids, demonstrations, localization, advertising and customer acquisition.
Delivery and logistics	Freight, customs, duties, packaging, installation, support, returns and warranty.
Finance and working capital	Currency conversion, bank fees, payment delays, inventory, deposits, credit and financing.
Exit or contingency	Contract termination, lease exit, staff obligations, asset disposal and contingency reserves.

Model more than one scenario

- **Base case:** reasonable assumptions supported by current evidence.
- **Downside case:** slower sales, lower volume, higher costs, currency movement or delayed approvals.
- **Upside case:** stronger demand or faster conversion, without assuming best-case outcomes as the plan.

Key financial questions

- How much cash is required before the first customer payment?
- What is the contribution margin after local delivery and selling costs?
- What payment terms and customer credit risks will apply?
- What sales volume is needed to cover fixed costs?
- How sensitive is the business case to exchange rates, duties or freight?
- How much additional funding is available if launch takes twice as long as expected?

9. Identify and manage risks

Create a risk register for the specific market and business model. A useful risk entry identifies the event, likelihood, impact, warning signs, mitigation, owner and review date.

Risk category	Examples	Possible response
Market	Demand is weaker than expected; competitor response; customer concentration.	Validate demand with buyers; pilot; diversify prospects; monitor pipeline.
Regulatory	License delay, rule change, product approval or non-compliance.	Use official sources; obtain local advice; assign compliance owner; maintain records.
Financial	Currency volatility, late payment, cost overruns or insufficient working capital.	Scenario planning; payment controls; credit checks; contingency funding.
Partner	Misrepresentation, poor performance, conflicts or misconduct.	Due diligence; written authority limits; audit rights; performance reviews.
Operational	Delivery failure, supplier disruption, quality or staffing issues.	Backup suppliers; service standards; quality controls; continuity planning.
Legal and integrity	Contract disputes, IP misuse, bribery or sanctions exposure.	Legal review; compliance procedures; screening; training; escalation process.
Political and security	Instability, travel disruption, restrictions or asset exposure.	Monitor official advisories; contingency plans; insurance; limit irreversible exposure.

Set decision gates

Agree in advance what evidence is required to continue, pause, change strategy or exit. Examples include confirming a minimum number of qualified customer interviews, receiving a regulatory opinion, securing an acceptable partner agreement or achieving a target gross margin. Decision gates prevent sunk costs from driving further investment.

10. Create your market-entry action plan

Convert research into a sequence of owned actions. The sample phases below are illustrative; timing will vary by sector, country, approvals and business complexity.

Phase	Actions	Evidence or output
1. Define	Set objectives, target customer, offer, constraints and decision criteria.	Opportunity statement and initial assumptions.
2. Screen	Compare candidate markets and identify critical barriers.	Shortlist and market comparison scorecard.
3. Validate	Interview customers, check competitors, test pricing and channels.	Customer evidence and validated demand hypotheses.
4. Verify	Confirm legal, tax, licensing, product, trade and employment requirements.	Compliance questions log and professional advice.
5. Design	Select entry route, partners, delivery model and financial case.	Entry strategy, partner shortlist and scenario budget.
6. Pilot	Test a limited commercial activity with defined controls.	Pilot results, customer feedback and revised assumptions.
7. Launch	Approve investment, execute agreements and implement operations.	Launch plan, owners, controls and performance measures.
8. Review	Track results, risks, customer satisfaction and cash requirements.	Periodic review and continue/change/exit decision.

Track performance after launch

- Qualified leads and customer meetings.
- Conversion rate, sales cycle and win/loss reasons.
- Revenue, gross margin, customer acquisition cost and cash collection.
- Delivery quality, service levels, returns and customer satisfaction.
- Partner performance, compliance issues and unresolved risks.
- Actual spending compared with approved budget.

Appendix A. Market comparison scorecard

Use this worksheet to compare shortlisted markets. Choose weights that reflect your business priorities. Score each market consistently, for example from 1 (unfavorable) to 5 (highly favorable).

Criterion	Suggested weight	Market A	Market B	Market C
Evidence of customer demand	20%			
Competitive position	15%			
Regulatory accessibility	15%			
Cost and profitability	15%			
Distribution and logistics	10%			
Partner availability	10%			
Political/economic risk	10%			
Strategic fit	5%			
TOTAL	100%			

Record the evidence behind each score. Do not score a factor highly simply because information is unavailable. Mark unknowns separately and identify how they will be verified.

Market A: _____ Market B: _____

Market C: _____ Review date: _____

Key assumptions and sources:

_____

_____

_____

Appendix B. International readiness checklist

Mark each item Ready, Needs work or Unknown. Prioritize issues that could prevent lawful operation, customer delivery or a financially viable launch.

■ We have a defined international business objective. Ready / Needs work / Unknown

■ We know which customer segment and problem we intend to address. Ready / Needs work / Unknown

■ We have evidence of demand from identifiable potential customers. Ready / Needs work / Unknown

■ We understand the competitive landscape and our differentiation. Ready / Needs work / Unknown

■ We have assessed delivery capacity and service requirements. Ready / Needs work / Unknown

■ We have identified the applicable company, tax and licensing questions. Ready / Needs work / Unknown

■ We have identified product, technical, customs and trade requirements. Ready / Needs work / Unknown

■ We have reviewed employment, data, IP and insurance considerations. Ready / Needs work / Unknown

■ We have a realistic market-entry route and partner strategy. Ready / Needs work / Unknown

■ We have assessed partner identity, ownership, reputation and capability. Ready / Needs work / Unknown

■ We have estimated one-time, recurring and working-capital costs. Ready / Needs work / Unknown

■ We have considered downside scenarios and contingency funding. Ready / Needs work / Unknown

■ We have documented key risks, owners and mitigation actions. Ready / Needs work / Unknown

■ We have clear decision gates and an exit or pause plan. Ready / Needs work / Unknown

■ We have assigned an accountable leader and implementation team. Ready / Needs work / Unknown

Priority gaps and actions:

1. _____

2. _____

3. _____

Appendix C. Questions to verify before launch

Use this list to prepare discussions with relevant government agencies and qualified professionals. The applicable questions depend on your business activity and target country.

Legal and company structure

- Which legal form is appropriate for the intended activity?
- Are there foreign ownership, local director, representative or registration requirements?
- What ongoing filings, governance and recordkeeping duties apply?

Tax and finance

- What taxes, indirect taxes and withholding obligations may apply?
- Could the activity create a taxable presence in the country?
- What invoicing, accounting, currency and payment rules apply?

People and operations

- Can foreign personnel work or provide services locally, and what permissions are required?
- What payroll, employment and workplace rules apply?
- Are local facilities, permits or insurance required?

Products, services and trade

- Are product approvals, technical standards, labeling or professional licenses required?
- What tariff classification, origin, customs and import/export controls apply?
- Are sanctions, export controls or restricted-party checks relevant?

Contracts and partners

- Who has authority to sign and bind each party?
- How are liability, payment, IP, confidentiality and dispute resolution handled?
- What due diligence and compliance controls are appropriate?

Before you act

Confirm requirements using current official sources and qualified professionals in the relevant jurisdiction. Laws, fees, agency procedures and eligibility rules can change. Keep dated records of the advice and official information relied upon.

A better-informed first step.

International expansion is a process of disciplined learning. Define the opportunity, test demand, verify the rules, understand the economics and commit resources in stages.

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