International expansion: A quick guide for startups

Start anywhere.
Grow everywhere.

For startups and growth-focused SMBs, international expansion offers unmissable opportunities. It enables you to recruit world-class talent, and tap into new markets across the globe.

We should know. Since 2021, we've built and scaled a team of over 1,500 people in 70+ countries, and work with customers on every continent.

In this guide, we'll show you how your business can achieve similar growth through hiring abroad. We'll show you all the tools you need to overcome the various challenges of global hiring — and explain the main steps required to go from local to worldwide.

If you're ready to take your business to the next level, this guide is the ideal starting point.

> Hiring international employees gives your company a soft landing when entering new markets and allows you to build trust quickly in new places.

JOB VAN DER VOORT

CEO and Co-founder

remote

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What does international expansion entail?

For most startups, international expansion means selling your products and/or services to customers in other countries.
For some businesses (often software companies or startups with proprietary technology), it involves granting other businesses the right to use your IP.
It can also potentially mean partnering with other businesses abroad, usually either through investment or a merger.
Whatever your approach, it usually means that you'll also need to hire abroad, usually in those target markets.

When should your business look to expand?

There's no right or wrong answer to this, but generally speaking, the following are often strong indicators:

- There's market saturation in your local/domestic market
- You're seeing demand from international customers
- There are favorable economic conditions and low competition in other markets
- You have the capabilities to scale and grow accordingly

International expansion

International expansion involves selling your product in other markets, and usually entails hiring in those markets, too. You should look to expand when conditions are most favorable.

What are the benefits of expanding abroad?

For startups, there are numerous benefits to international expansion. It can help you to:

Find the right talent

One of the biggest advantages of international expansion is the ability to tap into new talent pools, and find qualified candidates with the skills you need.

This is particularly valuable if your business operates in a niche field, or is working with cutting-edge technologies.

Say, for instance, that you need to hire a TypeScript developer that knows Nest.js and AWS Cloud, as meetergo did. The odds of finding such a candidate locally are slim and, even if you do, their salary demands are likely to be high.

When you open up your talent pool beyond your borders, you're far more likely to find the ideal candidate with the right skills and experience.

> Our field — ASO — is still a relatively new specialization, so people with even three or four years' experience are incredibly rare and difficult to find. And when we do find them, they are based all around the world.

ZUZANNA FORELL

HR manager

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Save — and make — money

Hiring internationally is often far more cost-effective, which is crucial for budget-conscious startups.

For instance, there is a wealth of talent and opportunity in untapped tech hubs such as India, Brazil, Taiwan, Mexico, and the Philippines.

Global expansion also opens doors to new markets and customer segments, helping you generate new revenue sources.

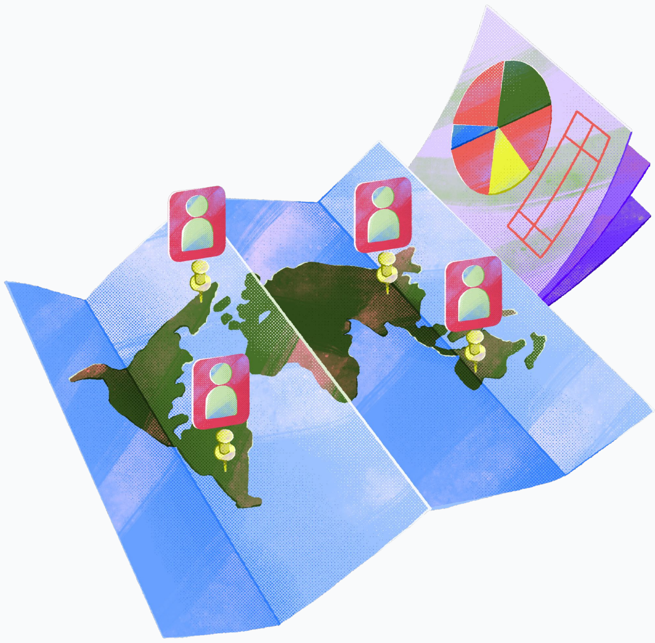
Gain competitive advantages

Entering a new market before your competitors do enables you to establish brand recognition and build credibility. Even as a small business, you can make big waves if you have the right product or service for that market.

You may also be able to forge new partnerships and collaborations, allowing you to tap into new segments and markets, and amplifying your operational efficiency.

Build better relationships

When you hire abroad, you're in a strong position to keep your team members happy, especially if they are working remotely. In our recent Remote Workforce Report, 72% of companies told us that their teams are now more productive after adopting a remote, globally distributed workforce model.



You also build better relationships with your new customers. For example, you can hire customer support specialists in your new markets who have knowledge of the local language and culture, creating a smoother experience.

Expanding abroad

Expanding abroad enables you to find the best talent at a cost-effective price. It also helps enable you to gain an advantage over your competitors, build stronger relationships with your target customers, and boost your recruitment and retention.

What are the challenges for startups?

There are numerous plus points to international expansion, but it's not all plain sailing. To be successful, you'll need to overcome several challenges and avoid numerous pitfalls.

In particular, you'll need to:

Navigate local legislation and regulations

Every country has its own labor, tax, and employment laws, and when you hire there, you'll need to comply fully with them. This can be complex, time-consuming, and extremely costly — especially as laws frequently change.

Understand cultural and market differences

Expanding into foreign markets requires an understanding of local market dynamics, consumer preferences, and cultural nuances.

For instance, a lot of fintech companies are currently expanding into new global markets, many of which are focused on engineering and product development. As a result, they may lack experience in planning cross-border go-to-market (GTM) strategies, or may not understand what types of marketing channels and messaging would be appropriate.

Set up banking and payroll

As you expand, you'll need to deal with multiple currencies, banking systems, and financial regulations, all of which requires local expertise.

You'll also need to figure out how you're going to set up payroll and pay your team members. You'll either need to do this in-house, or outsource to a competent, trustworthy provider.

Local laws

When expanding, you'll need to comply with local laws, navigate market and cultural nuances, and handle payroll and other key HR functions. This can be complex and costly, unless you work with an international HR partner that can handle it for you.

How Remote solves these challenges

As mentioned, understanding, navigating, and complying with the laws of another country is costly, complex, and time-consuming. That's why it's highly recommended to let an experienced global HR partner — like Remote — handle it all instead.

When you hire through our employer of record (EOR) service, we ensure that you're fully compliant with all labor and tax laws wherever you hire, allowing you to focus on managing your operations and growing your business. How does an EOR work?

You don't need to set up any costly, time-consuming entities abroad. Simply identify the candidate you want to hire — regardless of where they are based — and Remote will onboard them in a matter of days. For each hire, we also handle:

- Payroll (including full local payroll tax compliance and reporting)
- Benefits administration (including global equity incentives)
- Day-to-day HR management (including time and expense tracking, and self-serve)
- Contract drafting
- Local guidance and support from our in-house, on-the-ground experts at every stage of the employment lifecycle

It really is that quick, simple, and cost-effective to build your team.

> If we coordinated everything in-house, we'd have to hire an extra four people to manage the entities, local solicitors, tax firms, accountants, payroll, and translation services. It would cost upwards of $500,000 extra per year. Remote's EOR service takes that burden off our plate.

LUKE MCKINLAY

VP of Finance

fountain

If you do want to open your own entities abroad, we can also provide key HR services such as payroll and HR management.

Start hiring the perfect candidates — wherever they are based

With Remote's EOR service, you're not restricted by borders. Hire, pay, and manage the talent you need to grow your business, and take it to the next level.

See how it works ↗

What about contractors?

If you want to test the waters in a new market, or you'd prefer to be more flexible for certain roles, you can work with independent contractors.

Remote's Contractor Management platform makes it quick and easy to manage your contractors and their invoices, while our Contractor Management Plus platform also protects you against misclassification risk.

To learn more, book a quick demo with one of our friendly team members.

HR

Each time you hire abroad, Remote handles all the heavy legal lifting, ensures you are fully compliant, and takes care of payroll and other key HR functions. This gives you peace of mind and allows you to focus on your core business operations.

International expansion blueprint for startups

As a startup, here's what each stage of your expansion might look like.

Research and planning

Start by exploring market trends and identify the growth potential for your company. Analyze your data, carry out assessments, and note potential challenges. Finally, document everything in a roadmap.

Remote's Contractor Management platform makes it quick and easy to manage your contractors and their invoices, while our Contractor Management Plus platform also protects you against misclassification risk.

Case study:
You are a UK-based service provider, and in the last six months, you've noticed a steady and sizable increase in demand from customers in France. You enlist the services of a market research firm, who advise that, due to this demand and the lack of competition, France is a prime target market for expansion. With the relevant stakeholders, you start making an actionable plan.

Preparation for launch

As part of this plan, you should outline which key personnel you need to hire in your target market. Before launch, these people should be in place, and all other elements of the expansion, such as funding and infrastructure, should be finalized.

Case study:
To support your expansion into France, you identify the need for four additional team members: a business development manager, a customer service agent, an additional software engineer, and a marketing content creator. Instead of setting up an entity in France, you partner with Remote. This enables you to hire two highly-experienced local market experts in Paris, and a highly-skilled, cost-friendly engineer in Brazil. In addition, you hire a contractor to create marketing content for your French audience on an as-needed basis.

Launch and growth

Once your people are in place, you can start to establish a viable presence in your new market(s), create brand awareness, and consolidate your position. After a year or two (or even sooner), you might shift focus to scaling your operations and expanding your customer base.

Case study:
As your business consolidates in France and your team slowly grows, you look at the possibility of setting up a local entity there and outsourcing payroll to Remote. As you start to scale, you identify potential demand for your product in other markets too, including Canada and the US. You repeat the process at scale, using Remote's EOR to quickly and easily hire the expertise you need to drive your growth, while keeping costs manageable.

Startups that have already successfully expanded

At Remote, we've supported numerous startups as they expand abroad, and helped them find success and growth in new markets. Read their stories:

Weaviate

US-based finance app that leverages international contractors.

"Remote is 100% scalable and reliable. It's so simple to onboard, manage, and pay employees and contractors."

fluz

Dutch AI startup that has rapidly grown its international workforce.

"We have a very deep, technical product, so access to talent is really important. We cannot be restricted."

meetergo

Fully-bootstrapped German lead-gen startup that hires developers abroad.

"If you're a cost-conscious startup that cares about efficiency and burn rate, you need to hire internationally."

pento

UK-based HR startup that has now raised $54m in Series B funding.

"Remote is genuinely interested in optimizing our business, and giving us the best pricing models."

Tablevibe

Singapore-based side project that has transformed and evolved rapidly.

"Remote has helped reduce our operational costs and uncertainties when hiring overseas employees."

simpleclub

German edtech startup that hires across the globe to build a better product.

"We have the world as our talent pool. Where people live is no longer a blocker of what they can achieve."

Ready to take your first steps?

For any startup — funded or bootstrapped — international expansion is not a far-fetched dream.

With Remote, it's easily achievable and the potential benefits are huge, whether you're looking to hire that developer with the perfect skill set, or simply leverage market expertise.

To learn more — and see how exactly we can help your business grow — speak to one of our friendly experts today.

Let's talk