

Winning at home and overseas takes nerve and skill



Cycle clubs keep Rapha (No 103), under Simon Mottram, on track



Ian Stuart of HSBC explores how some companies have managed double-digit sales growth in both the UK and abroad

FOR those bold enough to take the leap, the benefits of international expansion can be vast. No doubt, it can often be daunting. Some would argue it is far simpler to first consolidate in your home market before considering going abroad. However, as we're seeing with companies on this year's league table, it is possible to achieve remarkable success by growing businesses at home and overseas at the same time.

From fast-fashion brand Missguided (No 13) in Salford to Greencroft Bottling (No 55) in Durham and polymer engineer Balmoral (No 81) in Aberdeen, 101 companies have achieved double-digit sales growth in both the UK and overseas over the past two years.

It requires a certain set of

skills, as well as boundless energy, for founders and management teams to lead expansion at such a pace. Due diligence on new markets takes time. There are also inevitable challenges, from lining up the right people on the ground and ensuring your culture is clearly communicated to staff, through to managing stock and extended supply chains.

But the rewards are huge. Companies are able to access new customers and to move away from relying on only one market. They can scale up, gaining the buying-power benefits of a multinational, while remaining agile and focused on their niche. Such companies are able to attract skilled professionals who want to develop their careers in an

international, entrepreneurial environment. There are softer benefits, too, such as the accelerated pace of learning and innovation that operating in more than one market drives.

At HSBC, we have long seen the benefits of such trade. We have established our presence in 55 countries around the world, supporting more than 2m businesses. We back many of the companies on the International Track 200 league table, working to ensure they have the finances that they need to support their growth both at home and abroad. Our treasury services, through our HSBCnet electronic banking platform, help customers make best use of their working capital, whatever the currency, and our loans and credit lines

help them to fund their investments and acquisitions.

This year's International Track 200 contains some fantastically inspiring stories of successful growth. Look at Advanced Insulation (No 30), led by managing director Andrew Bennion. The Gloucester business makes technical coatings to protect oil and gas rigs against fire and to help insulate undersea structures. Since it was formed in 2008 after a management buyout, it has invested in new product development, with sales rising from £5.3m (annualised) in 2008 to £58.3m last year, with exports contributing £46.2m.

To raise capital to help expansion, including two acquisitions in the UK, the board sold a minority stake to Growth Capital Partners in 2014. In addition to the main plant in Gloucester, the company operates factories in the United Arab Emirates, Korea and Kazakhstan. It has sales offices in countries including the USA, Brazil and Norway and plans to open an office in Nigeria by the end of the year.

Changing global market

dynamics have required other companies to reposition themselves. While Advanced Insulation prospered despite the downturn in the oil and gas industry, service providers such as recruiter Spencer Ogden (No 91) had to adapt as demand fell.

The London firm made 74% of its £77m revenues in 2014 from supplying specialist staff to the oil and gas industry, but then chose to rapidly reduce its own headcount. Under the leadership of its co-founder and CEO David Spencer-Per-cival, the recruiter shifted its focus to energy generation, construction, transport and marine industries. Now, with total sales of £98m last year, only 23% of its business comes from oil and gas. Its total headcount is higher than it was in 2014 and the company is thriving.

The rise of ecommerce has also helped retailers on the league table to succeed both at home and abroad. It can be a cost-effective route to market and a way to target new customers around the world with rapid results. But the opening

of physical shops remains key for many, a strategy adopted by lifestyle brand Cath Kidston (No 136), which now has 123 of its 205 shops in Asia. London-based premium cycling label Rapha (No 103) has even chosen to roll out pop-up cycle clubs, while Scottish brewer BrewDog (No 118) is opening bars to sell its craft beers in North America and Europe.

From the regional locations of head offices that I have mentioned, the nationwide success story within the International Track 200 is clear. More than 50 of the companies recording double-digit sales growth in the UK and overseas are located outside London, and each one is making a phenomenal contribution to our country's prosperity.

Their efforts are helping to rebalance the economy, and provide skilled and ambitious young people with the viable options they need to develop their careers locally. It is an achievement that we should all applaud.

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