

Going where you can grow

Geographical Growth Modelling

*It's time for a structured
approach to market entry:
data driven techniques to
identify markets most
suited to your organisation
and maximise your
chances of successful
global expansion*



What socioeconomic factors really drive your business?

Growth. Even in volatile economic times, there are markets out there brimming with growth opportunities. And shareholders want businesses to find them.

For many businesses, growth in their home markets is slowing and they need to look further afield, to more complex, and unfamiliar locations. But it is hard enough to know where the winning market will be, let alone how your organisation will actually cope with transferring to a new environment.

The challenge is not actually to find the markets that are growing, but to identify the markets that your organisation will grow in. In fact, your organisation may thrive in a market that is contracting for many others.

Getting into the detail of what drives growth for a particular organisation in a particular location is the basis of our approach, Geographical Growth Modelling.

Go boldly into a brave new world

A lot of organisations feel confident that they know the key drivers of their success – but the foundation of their confidence is a hunch, rather than a well-tested hypothesis. Often the real external drivers of an organisation's growth have not ever been considered. And a lot of organisations will disregard certain markets because they appear to be unfamiliar and complex – but they may in fact provide the perfect conditions their organisation needs to grow.

Moving into a new market requires confidence and a significant investment. We believe it should only be done if the decision is founded on two things: an objective, systematic analysis of what really drives your organisation's growth and sound forecasts identifying which markets will support those drivers.

Marrying robust analysis with macroeconomics

What is Geographical Growth Modelling? It combines business modelling with macroeconomics to create a forward looking global business tool with which to make informed decisions.

An organisation's historical performance will correlate with particular socioeconomic variables in their operating environment. We use econometrics to uncover these relationships – often revealing unexpected linkages.

So you'll know what really drives growth for your business.

We then use macroeconomic forecasts to model how your organisation is likely to perform in its current market in the future.

And we use macroeconomics to look beyond the markets in which you already operate to identify other markets that would support these key drivers, or to identify drivers that exist in other markets that might be compatible with your business' growth.

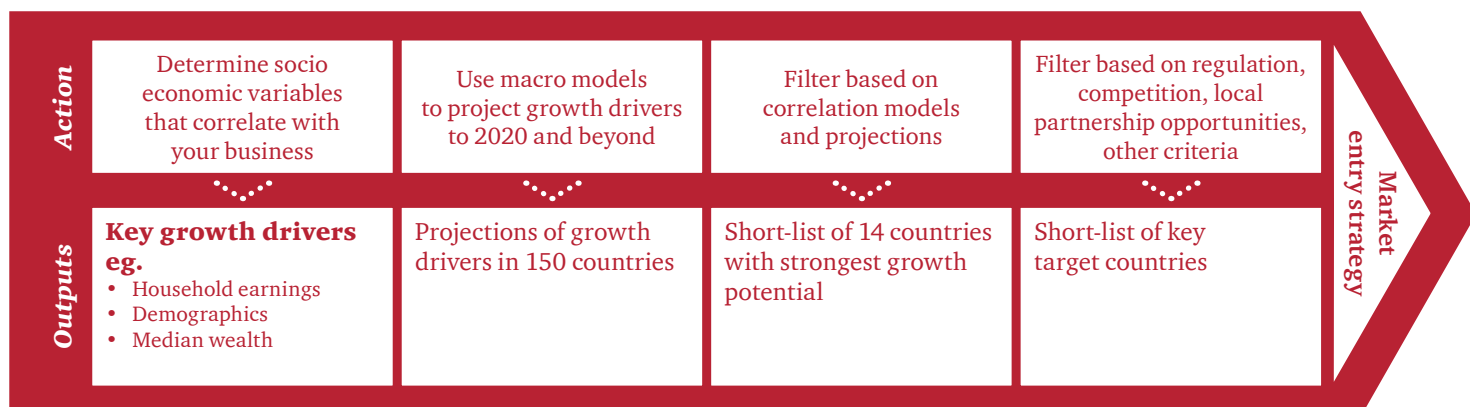
It means, even in the most unfamiliar of places, you have the clarity of vision to identify fertile ground for your business.

A picture of potential opportunity and decline

This is a powerful business tool for organisations. It systematically assesses a huge number of variables, many of which may never have been considered, and identifies which are the ones to really focus on.

And it can isolate potential growth markets, from national to regional or even city level.

For private sector organisations, it can be used as a way to stress test the current business strategy and to identify untapped opportunities. And for public sector organisations, the approach can be used to identify sources of international financing or to inform the strategic development of a particular area – the industries, centres of excellence, and policies that will lead to growth.



How do you know you need Geographical Growth Modelling?

- You know what drives your organisation's growth in your market – and you'd like a process to see how these drivers translate in markets you don't know
- You want to go beyond understanding how macroeconomic conditions will affect your industry and understand how they will affect your organisation specifically
- You want to move into new markets and you don't want to disregard opportunities because the places are unfamiliar
- You are a functional specialist but you don't have an in-depth understanding of your industry and how socio-economic trends have historically impacted it
- You want to be very specific in the markets you invest in – targeting the right cities or regions for your organisation
- You are a public sector organisation looking to support growth in your area or identify investment from abroad

"This is about using real data to make good decisions. Choosing the correct markets in which to expand can be the difference between success and failure. Careful consideration of the where, why and how before expansion can save you a great deal of cost and pain in the future."

So why PwC?

We have deep capabilities across functions: economics, strategy, finance, tax, operations, deals and corporate finance

We have a track record of successfully advising organisations embarking on geographical expansion

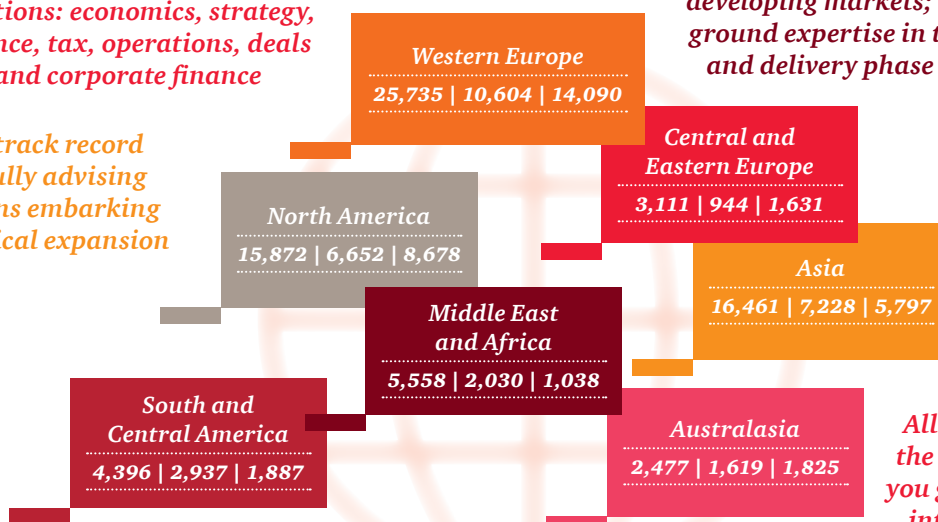
We are a truly global firm with a strong presence across developed and developing markets; this gives us on-the-ground expertise in the planning, set-up and delivery phase of your expansion

We have a flexible approach and develop rigorous yet pragmatic solutions

All this together means the geographical insight you gain can be developed into specific, practical solutions to help your organisation expand

Key: people in

Assurance | Advisory | Tax



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