

Edwards Global Services

Keeping ahead of the wars, economic meltdowns and political disasters

Our company exports U.S. franchise brands.

We act as an outsourced International Development Department for brands such as Build-A-Bear Workshop®, Denny's, International Dairy Queen, Lawry's The Prime Rib, Massage Heights and Mosquito Squad. One of our primary tasks is helping the brands prioritize the countries they enter, focusing on countries that have the highest ROI potential for the specific brand.

Recently, the CEO of one of the brands we work with told me that our job was to look 2-3 years ahead, figure out where the wars will be and take them elsewhere!!!

It turns out this is just a little bit funny. Less so these days of doing business around the world.

Today, I would restate this as needing to look 2-3 years ahead to figure out where the wars, economic meltdowns and political disasters are likely to occur and take our brands into other countries.

This is important due to the fact that it can take 2-3 years to find and sign a country licensee and then another 1-2 years to get the first unit of the franchise open in a country.

How do we do this? Research, research and more research is the answer.

We subscribe to 25 international business data and analysis source. We have team members on the ground in 32 countries. And our US-based executive team collectively has 120 years of international living and working experience in over 69 countries. We have a full time Director of Research who monitors our sources and watches for trends

But.....there are still 'exciting' events that change the potential for finding investors in a target country that are ready and will to make the new investment required to acquire the license of one of our U.S. franchise brands

Two examples are the recent United Kingdom Brexit vote and the disintegration of Turkey as a place to do business.

No one really thought about what the consequences of actually voting to leave the European Union would be. Now we are beginning to see consequences and all is not good. Where were the adults when this was happening?

I lived in Turkey in the mid 1980s and it was a great place to be and to work. It was the world's only secular, Muslim democracy. Turkey had a female supreme court judge before the USA. And a female Prime Minister in the 1990s. Over the past 10 years things have gradually changed

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and now Turkey is no longer secular and it is not really a democracy. The Ottoman Sultan seems to have returned after 100 years. The rapid GDP growth rate is being replaced with the rapid growth of inflation. In recent weeks the inward investment has stopped and Turkish business people are not making any new investments. Our company has closed our office in Istanbul.

On the other side of the coin is Argentina. For several decades this country has been run by poor governments that defaulted on international loans and paid foreign franchisors their royalties in soy beans. Early in 2016 a new and radically different government came into power. In a matter of a few months they settled the long standing debt problem and made the local currency float free against the dollar. New inward investment is staggering as this first world country with a highly educated population is starved for new products, services and brands. We have started marketing out US franchise brands in Argentina for the first time since the mid 1990s. As a local business person told me, 'the US dollars have come out of the Argentinean mattresses for the first time in decades.'

'At the end of the day' we have learned that constant research is key to looking ahead but....there will always be surprises. The key to successful international business is constant monitoring of the economies around the world and being ready to move quickly to higher potential and calmer countries.

EGS publishes research projects related to global business development, most notably the GlobalVue™ franchise country ranking, which has been published quarterly since 2001. The latest version of this country ranking tool can be downloaded at the following link:

<http://edwardsglobal.com/wp-content/uploads/2016/08/EGS-Dual-GlobalVue-0716.pdf>

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