

URL: <https://stvp.stanford.edu/blog/videos/entering-a-global-market>

Wikia CEO Gil Penchina discusses the steps that entrepreneurs should take when entering a new and unfamiliar global market.



Transcript

So these are the steps to take when you're entering a new global market.. So I start by assuming I'm not nearly as smart as I think I am and talk to people who actually live there.. And in particular, having done it for a while now, I'm now aware of some things to ask questions about and to worry about.. Those are at least in the technology and internet sector.. Stuff like privacy laws which can be radically different by country.. The Germans are incredibly worried about privacy.. As best as I can tell, the Chinese government is really worried about content.. They've actually blocked Wikipedia as of a few weeks ago.. So knowing the right questions to ask around.. What are things like that to be worried about? You know in terms of legal or regulatory are a big part of it..

And then I think there's the culture aspect of just how do people use these things.. And different people have completely different perspectives on how things should be used.. I'm trying to think of a good example.. I mean I go to the supermarket in France and the supermarket has wine because that's perfectly normal there.. But it's not perfectly normal here.. So you know we have wine sales on Ebay France but we don't in the US.. So cultural morals, how people behave but I just get out and I talk to people who are in whatever sector I'm going to go to.. And I say you know, "If I was a dumb American coming over to France, what are the five things I need to know?" And people in your industry will also know.. So I'll talk to somebody else.. I'm looking at travel as an area for guides..

So I called up a travel site and I say, "Hey what do you guys do? And what shall I watch out for?" If anything, my answer is go talk to smart people and try to become a little smarter.. Because when you're opening a new office in a new country, it sort of what are the first five steps or something like that.. And I go back to a little bit of the same answer.. I start by talking to some people from there.. So I opened offices in Poland, Singapore, Hong Kong and a few other places.. And I start by calling up people I know from school who are Singaporean and Polish and go, "Ok, what's it like over there? What should I do? What should I worry about?" So step one.. Step two is I actually go and I meet with the government.. So I met with the Singaporean government.. I met with the Polish government.. Every government has an office for foreign investment who would love to talk to you..

Because you're going to bring them jobs and factory and office or whatever.. So they love to talk to you and they have all the answers to most of your questions.. And in particular with Ebay because we didn't put factories down.. I had this really cool opportunity because I'd go to them and say, "Hey I'm the only guy you're going to meet this month who doesn't want a subsidy." I don't want land subsidy.. I don't want a labor subsidy because we're going to hire like four people.. What's the point? I'd love two things from you.. I'd love advice.. You to be able to pick up the phone or answer my emails when I have them questions.. And I'd love for you to help me figure out who in government to talk to over time to explain to them that we're good and not bad.. Right? And sort of establish up front that we're actually good people..

In our case, we do have a lot of regulatory issues.. In China you can't sell.... In India you can't sell tiger skins.. Right? In the US you can't sell wine.. In Germany you can't sell Nazi stuff.. And every country has their own set of issues.. And we inevitably get yelled at for it.. And so one of the things we really do is we try to go in and say proactively to the right people,

"Hey, we're good.. And we want to work with you.. And we're available." So I love the foreign government offices that help with that..

And every country has one.. And then I go hire one person who's from there.. Because they're the ones that actually have the credibility to get stuff done and I'm just the ugly American.. And probably my three things I start in every country and I guess If I had one more I go and I read a lot of macro data.. So there's the CIA Fact Book.. World Bank data.. You can get a lot of data about technology, population, income, stuff like that from a variety of public sources which is fabulous.. When you're trying to decide which country to go to...