CHECKLIST · 6 STEPS

How to choose a market for expansion

A practical checklist that cuts the cost of being wrong: from a long list of countries to the one market worth entering.

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WHY THIS CHECKLIST

Picking the wrong market costs three resources at once

> Money, time and the attention of the team. None of them comes back if the market turns out to be the wrong one. So choosing a market is not a hunt for the best country, it is a sequence that keeps cutting the cost of being wrong.

For most small and mid-sized companies, entering five markets at once is impossible. Choosing one market means giving up another for a year or two, so every choice carries weight.

Work through the six steps in order. Each one is explained on the pages that follow.

- [ ] **Shortlist your markets** — 01
  Score every market against the same criteria and keep the two or three strongest.

- [ ] **Test the demand** — 02
  Find out whether the market holds a buyer who has your problem and will pay to solve it.

- [ ] **Test your hypothesis** — 03
  Run 20 to 30 buyer conversations, a test outreach campaign or a pilot project.

- [ ] **Set KPIs and timelines** — 04
  Define targets for years one to three and the signal that tells you the market fails.

- [ ] **Check the regulations** — 05
  Assess licensing, certification, tariffs and restrictions on materials or components.

- [ ] **Choose the entry model** — 06
  Compare a strategic partner with your own entry and pick the route that fits the company.

01 How do you narrow the list to two or three markets?

> Do the homework before spending money. The first pass uses coarse filters to remove markets where nobody is waiting for you, the second leaves three candidates, and deep analysis happens only with those.

A handful of filters is enough for the first pass: the size of the segment you care about, logistics, trade agreements, price and competition levels, language and business culture. Expensive reports are not needed yet. What is needed is an honest table where every market is scored against the same criteria.

Then work with people. Market data is identical for everyone, and the difference comes from what practitioners on that market tell you:

1. Your own contacts: clients, suppliers and acquaintances already working there.
2. Industry associations: the players, the trends, who recently entered or left.
3. Chambers of commerce and trade missions: first contacts and the formal requirements.
4. A trusted adviser on the ground: talks to buyers in their own language and returns facts, not impressions.

02 Does success at home guarantee demand abroad?

> No. The fact that your product sells well at home, or in one foreign market, does not mean it will work the same way elsewhere. The product-market fit check is part of choosing the market, not a separate step that follows it.

Scenario one: the product is wanted but the offer needs adapting. Different packaging, different payment terms, a different argument in the sales conversation, a different price bracket. That is normal work and it can be planned.

Scenario two: the product is simply not wanted. The reason may be buying culture, solutions the buyer is already used to, or the fact that the problem you solve at home is not seen as a problem there. No adaptation fixes that, and the earlier it becomes clear, the cheaper the lesson.

> **The question is not whether the market is big. It is whether the market holds a buyer who has our problem and is willing to pay to solve it.**
>
> Dima V. Nechyporenko, founder of the nech

03 How do you test the hypothesis before opening an office?

> State in one sentence why your product and your value proposition fit this particular market, then test it with 20 to 30 buyer conversations, a targeted outreach campaign or a pilot. All of it before you rent an office or hire a local team.

A good hypothesis has three parts: who buys, what problem you solve and why they choose you over a local supplier.

Example hypothesis. Mid-sized construction contractors in Poland will buy our structures because we deliver in three weeks and local producers take six.

Tools for the test: conversations with 20 to 30 prospective buyers, targeted outreach in the local language with one clear offer, a test campaign or a landing page built for that market, a trade show with meetings booked in advance, a pilot shipment on favourable terms.

If thirty approaches produce no interested reply, that is an answer too. It costs dozens of times less than a year of a local team.

04 Which KPIs show the market was chosen correctly?

> The ones you wrote down before the start. Indicators invented along the way are almost always bent to fit what happened, and a market that does not work can survive for years.

Period	What should happen	Failure signal
3 to 6 months	The hypothesis is confirmed in conversations: meetings, interested replies, requests for a quote	Not a single request for pricing
Year one	First customers and first revenue: pilots, contracts, repeat orders, actual margin	Buyers take it only at a discount, or only once
Year two	A stable channel: predictable pipeline, customer acquisition cost, share of revenue	Every deal depends on the owner
Year three	The market pays for itself: break-even, cost to profit ratio	Losses do not shrink year over year

The numbers in each row come from your business model. What matters is writing them down before the first investment, along with the review date.

05 Which regulatory and customs barriers come first?

> The ones that can stop sales for a year or more. This formal block is usually left for later, and it is the one that most often breaks an otherwise finished entry plan.

The typical situation: a company settles on a target market, confirms that its offer is competitive, and only then learns that the product needs one or two years of certification there. The entry budget is spent and selling is still not allowed.

- [ ] Is your activity licensed or otherwise regulated in the target market?
- [ ] What certification does the product need, how long does it take and what does it cost?
- [ ] Are there protective, anti-dumping or other duties on your tariff code?
- [ ] Are there restrictions on the materials or components used in your product?
- [ ] Is there a trade agreement with the target market, and what does it change in your price?

06 Strategic partner or your own entry?

> A partner lowers risk and speeds up entry, your own operation keeps control of the customer and the margin. The choice follows your strategy and the conditions of the specific market.

	Through a partner	Your own entry
Speed to first sales	Faster: the partner already has the customers	Slower: the base is built from zero
Upfront cost	Lower	Higher: office, people, marketing
Margin	Shared with the partner	Entirely yours
Control of the customer	Partial	Full
Biggest risk	Dependence on a single partner	Spending before the hypothesis is proven

These models often run in sequence: the first year through a partner to verify demand and price, then your own presence once the volumes justify it.

One tip. Vet the partner the way you vet the market: who their customers are, how they sell, whether they represent a competitor, and what happens to the customer base if you part ways.

WHAT THIS LOOKS LIKE IN PRACTICE

Five markets became one, with data instead of assumptions

An industrial equipment manufacturer came to us with five EU markets on the list and a budget for one. The first pass through coarse filters removed two: in one the target segment was too small, in the other two local producers held the market on long contracts.

Of the three that remained, one failed the regulatory check, because national certification would have taken about a year. For the two finalists we ran buyer conversations in the local language. In one market the hypothesis about delivery times held and the first requests for quotes appeared. In the other, buyers valued on-site service more than speed, and without a local partner that market would not have opened.

The client entered the first market through a strategic partner from the engineering sector and fixed KPIs for 12 months. The second market stayed in reserve.

What to take from this. Every step of the checklist either confirms a market or takes it off the list. The goal is not to gather more data, it is to base the decision on what buyers answer and on numbers fixed before the investment.

WHO WROTE THIS

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More than 18 years in B2B business development and market entry across Poland, Ukraine, France, Italy, Spain, Latvia, Canada and the UAE. We take companies from choosing a market to the first contracts: shortlist, buyer conversations in the local language, regulatory checks, partner search.

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Where we help

Market selection	Shortlist, scoring criteria, regulatory check, a recommendation of one market to enter
Demand validation	Conversations with prospective buyers in their language, hypothesis test, a report of facts
Market entry	Finding and vetting partners, first meetings, support through to the first contracts
Sales development	B2B pipeline, KPIs, work with key accounts in the new market

Want a second opinion on your shortlist?

Send us the markets you are considering and a short description of your product. In the first consultation we will say which ones deserve deeper analysis and which hypothesis to start with.

thenech.com/en/contact

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