

/ How to internationally expand your business fast and efficiently: European market leader in the formulation and production of powders, Innov'ia shares their five key learnings for midsize companies

When a team of engineers set up Innov'ia in 1990, the main objective of the company was to support agrifood companies with the development of new products in powder form. But in its 30 years of existence, Innov'ia managed to expand the technical solutions it offers, with granulation, agglomeration and microencapsulation, and the sectors it's active in, from agrifood to cosmetics and pharmaceuticals. This started to attract a new range of customers that gave Innov'ia the confidence to start another expansion journey: internationalizing the company, along with the banking partner Crédit Agricole and Altios.



INNOV'IA

- / **Headquarters:** La Rochelle, France
- / **Employees:** 350
- / **Turnover:** €40 million
- / **Expertise:** Ingredient formulation and industrialisation
- / **Clients:** 650
- / **Sites:** 7 manufacturing locations + 1 R&I Centre
- / **Investment in industrial and international expansion:** €70 million in 10 years



"A couple of years ago we noticed a shift in the demand: more and more large multinational companies were requesting our services", says Maria Wiltz, Global Sales & Marketing Director for Innov'ia and its subsidiaries Capsulae, Inodry, Innocaps, Innov'ia 3i.

"We were surprised because we're a midsize company based only in France. If these big clients, with subsidiaries all over the world, are reaching out to us to help them, then we have the expertise and value proposition that meets customers' needs.

Innov'ia and its subsidiaries started exploring an international expansion. "We wanted to find out what our international potential could be and who else would be interested in our products", says Maria Wiltz.

"We started asking our clients with subsidiaries abroad if they would support us in taking this step and almost all were interested because they were looking for partners with our expertise. That was a great start, but still left us with a challenge: how do we decide where to go? As experts in formulation of innovative ingredients and tailor-made manufacturing, we knew that to become successful we had to work with international expansion experts."

As part of the partnership between Crédit Agricole and ALTIOS aimed at promoting the international development of the bank's customers, the ALTIOS Strategy's team met the company's Managing Director.

ALTIOS STRATEGY, the strategy business unit, accompanies Innov'ia and its subsidiaries in the different key steps they have to undertake in order to structure their internationalization path. It started with an internal audit of all companies of Innov'ia which was carried out to help the business prepare and optimize itself before consolidating international actions. And to get a clearer idea of the operational actions that needed to be taken in Western Europe and other countries the company was interested in, an international action plan was drawn up to approach the external growth for example, how to select the countries Innov'ia was going to focus on and define the associated go-to-market strategy, considering external growth as a possible market approach.

ALTIOS Strategy has set up a collaborative approach with Innov'ia in order to structure their internationalization and to embark the company and its team towards a customer-centric strategy with a differentiating value proposition.

"Working with Altios has helped us structure our international expansion journey so we will take the right step at the right time and be successful in reaching our goals", says Maria Wiltz. "We are learning from experience everyday."

For the last decade, the speed of innovative start-ups development has boosted Innov'ia's Research & Innovation (R&D) expertise, which they have applied to new sectors such as baby food, cosmetics, pharma, green chemical, technical products, agrochemicals, besides food and feed.

The managing director of Innov'ia shares her five key learnings on starting international expansion as a midsize company:

1. 'Do your research'

In order to succeed with your international expansion, you need to know what different markets have to offer your business and what the possible obstacles will be. Market research is therefore an essential first step in defining which markets could be interesting for your company to expand to.

"For Innov'ia, we want to establish if there is a need for our formulation expertise of innovative ingredients and industrial know-how before we even start to consider a country", says Maria Wiltz. "We do market research and surveys within our sector to identify if this need is there and then we base our choices on the value we can bring to the customers in that market. If we conclude that we can't bring value to the market at that moment, however we use such an experience to improve our services or better prepare for the next stage. Our end goal is to offer a solution that caters to the need of the customer and we can only determine that we do by having a very clear picture of that need, service or product, that customer consider a value."

2. 'Set realistic goals'

The goals you set for your international expansion should match the potential the market you are interested in can offer you, the accessibility of this market and the capability of your company.

"One of the expansion goals of Innov'ia is to enter the Chinese market, but based on our market research we have concluded that we are currently not ready for this step yet. A realistic path for us would be to enter the market after 2024. Even though we see great potential, entering China is tough and as a company we are currently not mature enough for it", explains Maria Wiltz. "Besides this, it is not our focus at the moment. We first want to consolidate our position within Europe, since we are launching two new productions facilities there."

3. 'Let the demand guide you in choosing your location'

Even though some markets look very appealing on paper, because of their high growth rates and large consumer markets, they can still be a bad match with the product or service of the exporters. It is therefore important that you take a good look at the ecosystem of the country before you decide to add it to your list of expansion options. You should examine who the potential clients in the market are, if there is stark competition, who can be a partner, e.g. a trade association, to collaborate with.

"The demand for our services and potential clients is a big factor in deciding to expand to a specific market", says the Innov'ia MD. "It is very tempting to want to be present in a certain market because it is seen as high potential or because you see competitors make their move there, but this doesn't mean you should follow suit. Expand your business by entering markets where there already is an interest or demand for your product or service, instead of having to build everything up from the ground."

4. 'Get your whole team on board'

Internationalization asks for a commitment of the whole company, not just the people of the team that will work on the expansion. Include your shareholders and team in the why, where and how of the expansion plan, so everyone feels motivated to work towards reaching this goal.

"If your team is not part of your plan, it will affect your success in the long run", explains Maria Wiltz. "Our people are the cornerstone of our company. It is not the management, but our teams that deliver the final product to our customers. So, if they don't understand what goal the company is trying to reach and why it is important for us to expand, they might not deliver the best service they can. Getting everybody on board and making them all feel equally important, is a key element of succeeding in internationalizing your company."

5. 'Don't be too cautious, dare to take the leap'

"We live in a fast developing world", says the Innov'ia Marketing & Commercial director. "As a company you can choose one of two strategies: Be cautious and adapt to these changes or get ahead of the crowd and dare to build your business on the elements that differentiate you from the competition. As long as you make sure your proposals are fitted to the customer's needs or expectations and that there is a demand, it will work."

Taking the leap can really spur the growth of your company, at least if you have prepared this step well in advance. Without the right strategy in place, having the timing and budget right, and setting realistic goals, it could take a lot of work to be successful in your expansion. Skip the part of trial and error, and involve a partner with the right knowhow who will help you get started efficiently.

Work with Altios

International development is a major opportunity for many companies with a differentiating and competitive product offer, looking for significant and structuring growth drivers.

Because in-depth knowledge of the markets must be the basis of any strategy, and because reflection must precede action, especially internationally where mistakes are costly, ALTIOS secures and enhances companies' international expansion projects.

Get in touch with us [here](#) to discuss how we can support you in successfully expanding internationally.