



[www.THEBERGMAN.COM](http://www.THEBERGMAN.COM)

CORPORATE OFFICE: 4300 EDISON AVENUE, CHINO, CA 91710  
8 HUNG LUEN ROAD, SUITE 908D, HUNG HOM BAY, KOWLOON, HONG KONG  
Tel: +852 9528 7164 - Email: [lshu@thebergman.com](mailto:lshu@thebergman.com)

construction / development services / architecture / r3® building systems  
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# RETAIL EXPANSION CHECK LIST

## PHASE I: INVESTIGATIVE STAGE

### Why are you expanding?

- Are you expanding into a broader area of your existing market: Are you extending a new service into an existing market and simply need additional outlets to showcase and distribute your products/services?
- Are you extending an existing service into a new market? Is this expansion based on taking advantage of economic conditions or a noticeable increase in demand for your product/service?
- A new market in a new country: Are you extending a new service/product/concept into a new market?

### Who is your team?

- Will you be using your existing employees or will you need to hire new expansion employees? Will you hire locally or use ex-patriots?
- What local consultants are required to obtain the necessary information to make informed decisions? What consultants are required locally to implement your desired expansion model?
- Do you have staff experienced in the localities in which you intend to expand?
- Do you intend to franchise?

### Is your expansion lawful?

- What are the legal parameters and considerations for your target market?
- What are the national, regional, local approvals required? How long will it take to obtain these approvals?
- Is your expansion model legal in the area you wish to expand? Does it need to be modified to comply with local legal requirements?
  - Licensing Approvals to operate business?
  - Is it necessary to obtain copyrights, trademarks, licenses and patents with the target country?
  - What approvals are necessary to occupy or develop real estate space from which to operate your business?
  - Do friendly trade agreements exist between the country of origin and the target country?
  - What Duties and Tariffs and Import/Export Laws will your products be subject to?
  - Tax Strategies: How will your expansion be taxed in the target country/region? Do taxes become more favorable if the business model is changed a bit?
  - Are there legal or liability issues associated with using ex-patriot employees rather than hiring locally?
  - Repatriation of profits – is it allowed?
- Can you operate within your existing supply chain? Will your operations require manufacturing and or assembly in the region of expansion or can you maintain existing facilities?
- If you construct new manufacturing or distribution facilities, are there distribution limits or production thresholds?
- What is the demand for your product? Quantify demand drivers and potential regional sales objectives based on local market studies and existing retail/consumer spending data.
- Who is your competition, how do you fit into the market place, and how will you differentiate your product or service?

- If your product is new or unique, what type of education and marketing efforts will be necessary? What will this cost?

### Budgeting: Have you developed a comprehensive expansion budget?

- How much can you invest in your international expansion efforts?
- What is your break-even point and how long can you wait before turning a profit?
- Will your projected expansion sales support the expansion budget?
  - Including: Legal, consulting, accounting, tax, personnel, transportation, travel, real estate, etc.

### Timing:

- How long will it take to complete the appropriate due diligence and market research?
- How long to implement expansion into “X” locations?
- Is a pilot project necessary as a first step? If so, how long before a pilot project can be completed and assessed?
- Evaluate findings and adjust on-going business model as necessary

## PHASE II: TRANSITION STAGE

- Set up new business entity.
- Complete detailed market research.
- Identify customers. Test their pricing thresholds and incorporate into research and budgets.
- Further understand marketing requirements to educate customer base if product is new to the region.
- Assemble team, include knowledgeable consultants.
- Complete all due diligence with local target market assistance.
- Evaluate business model with team. Explore investments in environmental and operational efficiencies.
- Set up terms, conditions and financing options.
- Complete detailed project and expansion timelines and specific budgets for each component of expansion effort.
- Evaluate findings and adjust on-going business model as necessary

## PHASE III: OPERATIONAL STAGE

- Procure licensing and regulatory approvals.
- Begin entitlement of infrastructure and real estate locations.
- Negotiate contracts with suppliers
- Initiate process of meeting regulatory hurdles.
- Construct manufacturing/distribution facilities (if applicable).
- Construct/ Renovate Retail locations.
- Hire on site retail staff and property management solutions.
- Evaluate your performance at targeted milestones and retool areas of ineffectiveness if necessary
- Evaluate findings and adjust on-going business model as necessary