

INTERNATIONALIZING STARTUPS THROUGH SINGAPORE

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Abstract

Internationalization has always been the goal of Startups and growth their highest priority. While most Startups wish to internationalize, often it is not an easy task and involves detailed study of political, legal, financial and business systems offered by various countries. Taking the business international could be one of the Smart and Profitable move, but the key question is '**Which is the most suitable country through which you can internationalize your business?**'. This research paper reviews various business reports and papers related to understanding several parameters like 'Ease of Doing Business', 'Global Competitiveness', 'Branding', 'Safety' and 'Corruption Perception' of various countries.

The study reveals that **Singapore** is World's Strongest Nation Brand, ranked 2nd in world for Ease of Doing Business (1st in South East Asia), 1st in Global Competitiveness, 1st in Global Economic Freedom Index, 4th Lowest in Corruption Perception and the 2nd Safest City in the World. Thus it is evident that Singapore offers the best option for Startups to internationalize their business and go global.

Keywords: Startup, Internationalization, Ease of Doing Business, Global Competitiveness.



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Introduction

Today the domestic markets, which are already Price Sensitive are further becoming increasingly stagnant and are survived by Cut-Throat Competition. Furthermore they are becoming more Volatile, Uncertain, Complex and Ambiguous and startups are faced with a stiff challenge of maintaining their growth. Startup owners have to meticulously plan for sustaining today and ensuring growth and prosperity for tomorrow. Thus taking your business international could be one of the 'Smart and Profitable' move, provided they select right marketplace, leverage the infrastructure and respective government policies and device appropriate business strategy. Companies decide to go international and enter international markets for variety of reasons, but most common being – Increase Revenues, Increase Market Share, Leverage Country Brand Image, Leverage Favourable Government Policies and Gain Competitive Advantage.

The term "**International Business**" or "**Internationalizing Business**" refers to all those business activities which involve cross-border transaction of goods, services and resources between two or more nations. Thus by taking your business international, you are not only aiming to increase revenue and market share, but you are taking your products and services international, you are replicating your business for a new set of customers, different location, culture, needs, expectations and market demands.

It is evident from various market research reports that with Internationalization, you not only tap into world marketplace but '**Grow Faster and Fail Lesser**'. Countries like US, UK, Sweden, Denmark, Germany, New Zealand, Hong Kong, Singapore, Australia, and UAE provide ultra-modern infrastructure for startups to set their business. This research studies various parameters, perceptions critical for doing business and comes up with findings on the overall best country for internationalizing your Startup.

Objective of Study

To suggest best possible country for Internationalizing your Startup based on overall study of various business reports by global consulting firms.

Research Methodology

This is a descriptive study and data is collected from various secondary sources like business reports, research papers, internet articles and websites.

Review of Literature

- Nations Brand 2019 Report (www.brandirectory.com) – Brand Finance is world's leading independent brand valuation and strategy consultancy which measures the strength and value of the Nation among 100 leading countries using a method based on three key parameters – Governance, Market, People and Skills. Singapore has maintained its status of being the world's strongest nation brand, earning the elite AAA+ rating and a Brand Strength Index (BSI) score of 90.5 out of 100.
- Doing Business 2020 Report (www.doingbusiness.org) – It is World Bank Groups annual publication covering 190 economies worldwide over 12 business parameters. It involves study of ease of registering and starting business, getting electricity, IT infrastructure, credit, taxation policy and insolvency process. It ranks Singapore 2nd best in world from ease of doing business perspective with a score of 86.2 out of 100.
- World Economic Forum's Global Competitive Report 2019 (www3.weforum.org) – This report assesses the competitiveness landscape of 144 economies across 12 pillars like

governance, macroeconomic environment, technological readiness, market efficiency, innovation and business sophistication. It ranks Singapore 1st in world from global competitive perspective with a score of 84.8 out of 100.

- The Heritage Foundation’s Global Economic Freedom Index 2020 (www.heritage.org) – This report analyses economic developments in 186 countries on 12 parameters i.e. law, governance, regulatory efficiency, and openness of markets. It ranks Singapore 1st in world from global economic freedom with a score of 89.4 out of 100.
- Corruption Perceptions Index 2019 (www.transparency.org) – This report ranks 180 countries by their perceived level of corruption in public sector. Singapore ranks 4th worldwide in Lowest Corruption Perception enabling faster and transparent business.
- Safe Cities Index 2019 (www.safecities.economist.com) - The Safe Cities Index 2019 is a report from ‘The Economist’. The report ranks 60 cities across 57 indicators covering digital security, health security, infrastructure security and personal security. The report states that Singapore is the 2nd Safest City in the World with a score of 91.5 out of 100.

Figures

Rank	Economy	DB score	Rank	Economy	DB score	Rank	Economy	DB score
1	New Zealand	86.8	65	Puerto Rico (U.S.)	70.1	128	Barbados	57.9
2	Singapore	86.2	66	Brunei Darussalam	70.1	129	Ecuador	57.7
3	Hong Kong SAR, China	85.3	67	Colombia	70.1	130	St. Vincent and the Grenadines	57.1
4	Denmark	85.3	68	Oman	70.0	131	Nigeria	56.9
5	Korea, Rep.	84.0	69	Uzbekistan	69.9	132	Niger	56.8
6	United States	84.0	70	Vietnam	69.8	133	Honduras	56.3
7	Georgia	83.7	71	Jamaica	69.7	134	Guyana	55.5
8	United Kingdom	83.5	72	Luxembourg	69.6	135	Belize	55.5

FIGURE 1: DOING BUSINESS 2020 RANKING

Diff. from 2016 ¹				Diff. from 2016 ²				Diff. from 2016 ³			
Rank	Economy	Score ¹	Diff.	Rank	Economy	Score ²	Diff.	Rank	Economy	Score ³	Diff.
1	Singapore	84.8	+1	1	Mexico	64.9	-2	95	Kenya	54.1	-2
2	United States	83.7	-1	45	Bulgaria	64.9	+2	96	Kyrgyz Republic	54.0	+1
3	Hong Kong SAR	83.1	+4	56	Indonesia	64.6	-5	97	Paraguay	53.6	-2
4	Netherlands	82.4	+2	51	Romania	64.4	+1	98	Guatemala	53.5	-2
5	Switzerland	82.3	-1	52	Mauritius	64.3	-3	99	Iran, Islamic Rep.	53.0	-10
6	Japan	82.3	-1	53	Oman	63.6	-6	100	Rwanda	52.8	+8

FIGURE 2: GLOBAL COMPETITIVE INDEX 2019 RANKING

RANKING THE WORLD BY ECONOMIC FREEDOM											
Rank	Country	Overall Score	Rank	Country	Overall Score	Rank	Country	Overall Score			
1	Singapore	89.4	65	Serbia	66.0	129	Laos	55.5			
2	Hong Kong	89.1	66	Jordan	66.0	130	Mauritania	55.3			
3	New Zealand	84.1	67	Mexico	66.0	131	Eswatini	55.3			
4	Australia	82.6	68	Costa Rica	65.8	132	Kenya	55.3			
5	Switzerland	82.0	69	Bahamas	64.5	133	Benin	55.2			

FIGURE 3: GLOBAL ECONOMIC FREEDOM INDEX 2020 RANKING

Overall score	1) Digital security	2) Health security	3) Infrastructure security	4) Personal security
1 Tokyo 92.0	1 Tokyo 94.4	1 Osaka 88.5	1 Singapore 96.9	1 Singapore 95.3
2 Singapore 91.5	2 Singapore 93.1	2 Tokyo 87.5	2 Osaka 94.5	2 Copenhagen 93.6
3 Osaka 90.9	3 Chicago 92.9	3 Seoul 85.2	3 Barcelona 94.4	3 Hong Kong 91.9
4 Amsterdam 88.0	4 Washington, DC 92.2	=4 Amsterdam 81.6	4 Tokyo 94.3	4 Tokyo 91.7
5 Sydney 87.9	=5 Los Angeles 91.4	=4 Stockholm 81.6	5 Madrid 94.2	5 Wellington 91.5
6 Toronto 87.8	=5 San Francisco 91.4	6 Frankfurt 81.2	6 Frankfurt 93.7	6 Stockholm 91.3
7 Washington, DC 87.6	7 Dallas 91.3	7 Washington, DC 81.1	=7 Melbourne 93.5	7 Osaka 91.1

FIGURE 4: GLOBAL SAFE CITIES INDEX 2019 RANKING

Top 10 Strongest Nation Brands			
	1 ← 1	Singapore	2019: 90.5 AAA+ -1.9 2018: 92.4 AAA+
	2 ← 2	Switzerland	2019: 89.9 AAA+ -0.3 2018: 90.1 AAA+
	3 ↑ 4	Netherlands	2019: 89.6 AAA+ +1.9 2018: 87.7 AAA
	4 ↑ 11	Germany	2019: 88.2 AAA +3.5 2018: 84.7 AAA
	5 ↑ 10	Luxembourg	2019: 86.9 AAA +2.1 2018: 84.8 AAA

FIGURE 5: NATIONS BRAND 2019 RANKING

SCORE	COUNTRY/TERRITORY	RANK
87	Denmark	1
87	New Zealand	1
86	Finland	3
85	Singapore	4
85	Sweden	4
85	Switzerland	4
84	Norway	7
82	Netherlands	8
80	Germany	9
80	Luxembourg	9

FIGURE 6: CORRUPTION PERCEPTION 2019 RANKING

Findings

Upon review of various business reports below are the key findings:

- *Singapore is World's Strongest Nation Brand,*
- *It ranks 2nd in world for Ease of Doing Business (1st in South East Asia),*
- *It ranks 1st in Global Competitiveness,*
- *It ranks 1st in Global Economic Freedom Index,*
- *It ranks 4th in Lowest Corruption Perception and*
- *It is 2nd Safest City in the World to carry out business.*

Conclusion

For the past decade, **Singapore** has been the only Asian country with the top “AAA” rating from all three major credit rating agencies, i.e. Standard & Poor's, Moody's and Fitch Ratings. The highly prosperous country serves as a business gateway to the western world countries and is renowned for its world-class infrastructure, stable economy, healthcare, education and security. Also from findings we understand that **Singapore** is World's Strongest Nation Brand, ranked 2nd in world for Ease of Doing Business, 1st in Global Competitiveness, 1st in Global Economic Freedom Index and the 2nd Safest City in the World to carry out business. These factors, coupled with its political stability, make it a very strong and stable nation

globally. **Thus we can conclude that Singapore is most suitable country through which Startups can internationalize their business and go global.**

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