

# Do You Really Know Who You're Dealing With?

This document provides an in-depth look at the importance of background verification, the challenges of global business in mature and emerging markets, and the solutions offered by GCS Risk to navigate these complexities and protect your brand.

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# Globalisation = Doing Business in Mature and Emerging Markets

## Importance of Trust in Global Business

In today's rapidly evolving business world, emerging markets stand out as beacons of opportunity.

Emerging markets present unique challenges such as political instability, diverse legal systems, and cultural differences.

# Challenges of doing business in Mature and Emerging Markets

## Political Instability

Political instability is a significant factor.

Governments can change, policies can shift overnight, and what was a stable business environment yesterday can become uncertain today. This unpredictability requires a flexible and informed approach to business strategy.

## Diverse Legal System

Each country, sometimes each region within a country, operates under a different set of rules. What works legally in one market might be a misstep in another. Understanding these legal landscapes is crucial, as they can impact everything from setting up operations to enforcing contracts.

## Cultural Difference

Navigating the nuances of local customs, communication styles, and business etiquette is vital. Misunderstandings in these areas can be just as detrimental as a flawed business strategy.

**Transform challenges into opportunities with our expertise and local insights. Empower your business to thrive in these markets by making informed decisions and leveraging the right strategies.**

# Background Verification: The Imperative of Background Verification

## Why is it important?

Checks can mitigate risks like fraud and ensure compliance with international regulations. They're a critical line of defence against a multitude of risks, especially in emerging markets.

## Mitigating Fraud Risk

From inflated credentials to falsified business records, the risks are real and can have far-reaching consequences. Conducting comprehensive background checks helps in identifying any red flags early on, thereby safeguarding your business from potential scams and financial losses.

## Ensuring Compliance

It's about ensuring that the people and companies you're dealing with are credible and trustworthy. Another crucial aspect is compliance with international regulations. These markets often have different rules and norms, and failing to comply can result in legal complications and reputational damage. Background checks help ensure that your local partners, suppliers, or even employees are not only reputable but also operate in line with international laws and standards. This is particularly important when it comes to anti-bribery and anti-corruption laws.

# Consequences of Inadequate Verification

**1**

## Financial Loss

One of the most direct consequences is financial loss. In June 2012, US company Caterpillar purchased Siwei for USD \$866 million. Caterpillar would later announce it had uncovered deliberate misconduct by Siwei management to inflate revenue. 7 months after the closing of the purchase, Caterpillar wrote down USD \$580 million.

**2**

## Legal and Regulatory Sanctions

Weatherford International was charged with FCPA violations for bribing officials in the Middle East and Africa to win business. In Angola, the company allowed its subsidiary to use an agent who omitted an FCPA clause from the agreement. The agent used sham work orders and invoices to pay bribes and secure the renewal of a lucrative contract for Weatherford in Angola.

**3**

## Reputational Damage

In 2017 it was reported that Volkswagen (VW) pleaded guilty to charges relating to installing defeat devices that interfere with emissions testing. Not only did the company have to pay 25 billion to compensate consumers, the negative impact media coverage and public outcry had a lasting impact on the company's brand image.

## GCS Risk Can Light the Way

# Verification - Minimise risk with relevant and timely information.

- Company Credit Report
- Due Diligence
- Background Screening
- Investigations

Getting paid on time matters, and knowing the credit history of a business is essential to predict future behaviour. Company credit reports are available all over the world, and are an essential first step in assessing a potential (or current) client's credit worthiness.

Thorough evaluation of the potential risk in mature and emerging markets cannot be overstated. It is the cornerstone of understanding not just the market you're in but also the partners and opportunities you'll encounter.

Business success depends largely on the quality and character of its employees and associates. Especially true in today's modern global economy, where theft, fraud and accidents can have serious ramifications on the health of a business.

**GCS Risk uncovers the real story behind the facts, closely examining every detail so you can get the information you need.**

# Brand Protection: Your Brand, Your Identity. Protect it.

## What is Important?

Protecting a brand's integrity is not just about safeguarding a logo or a name; it's about maintaining your market presence, consumer trust, and ultimately, your business's longevity and success.

### Maintaining Market Presence

In the competitive landscapes of emerging markets, your brand differentiates you. It's your identity in the eyes of consumers. When this identity is compromised through counterfeiting or unauthorised use, it can dilute your market presence.

### Upholding Customer Trust

Trust is the cornerstone of customer loyalty. When a brand is associated with quality and reliability, it wins consumer confidence. Protecting your brand is, therefore, crucial in maintaining the trust that consumers have in the quality and authenticity of your products or services.

### Safeguarding Business Health

Brand protection goes beyond reputation; it's directly tied to your business's financial health. Infringement can lead to lost sales, wasted marketing efforts, and legal costs.

### Cultivating Brand Value

A well-protected brand grows in value over time. It becomes synonymous with quality and reliability, attracting partnerships, investment opportunities, and expansion possibilities. In the dynamic and often unpredictable markets of today, a robust brand can be your most valuable asset.

## GCS Risk Will Light the Way

# Brand Protection - Identify, seize & prosecute counterfeiters.

- Trademark Infringement
- Anti-Counterfeit
- Grey Market

## Anti Counterfeiting Investigations

Industry reports project counterfeiting to exceed \$3 trillion in 2022. Counterfeiting goods cost revenue and profits but it is the damage to reputation that should concern businesses the most.

## Trademark Infringement

In a modern global economy, intellectual property is often more valuable than physical assets, and for many, it starts with trademarks. Protecting this intangible asset is crucial to long-term growth. Leveraging our global reach, GCS Risk is equipped to help protect you.

## Grey Market

Stop grey market activity. GCS targets the entire supply chain and gathers important information to protect your profits against unauthorised channels.



# Prepared For The Unexpected?

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**Book a Discovery  
Call Today!**



Or get in touch:

+61 3 9547 3299

hello@gcs-risk.com

www.gcs-risk.com