

US Marketing Revolution Creates Opportunities for High Growth International Firms

Author: Phil Rogers Founder + Principal [Endeavour Advisory](#)

The US is the largest developed market in the world and a big influence on other global markets. It is important for any company with global ambitions. The current economic environment does not do a lot to encourage international firms to focus on the US. However, innovative new models and technology have dramatically reduced the costs and risks involved with entering and developing the US market. International firms can now do much of the early market development work without having to hire a US-based team.

1. The Previous Approach

Hiring US-based “blue chip” sales managers

The old way to enter the US market was to hire local sales managers with companies like IBM in their resume. They would in turn build out a sales force. This sometimes worked but most of the time it didn't. Techniques such as aggressive “push” selling that worked for big established brands typically fail to get results for innovative companies new to the US. Funding for even a small US-based sales team can easily run into seven figures. To be fair, company executives often assume that their products and services do not need localization since they were successful in their home market. However, changes to meet US customer needs are always required. Unfortunately, legitimate customer feedback is often seen as an excuse for a lack of sales results. It is important to view entering the US market as being comparable to a start-up. Founders need to be closely involved. Hiring rain makers and expecting them to succeed on their own is unlikely to be successful.

Signing US-based partners

Another popular alternative is signing US-based partners. Unfortunately, most value added resellers (VARs) or other distributors are good at selling mature products in mature categories. They are not very motivated by or successful at marketing innovative products and services that require the ability to create or disrupt markets.

2. The New Approach

Over the last ten years, there has been a revolution in the way companies go-to-market in the US. These new strategies and techniques have increased the potential for success and have also dramatically reduced costs.

- Inbound marketing

Search engine optimization, web-based content (webinars, white papers etc) and social media strategies mean that international companies can start building a brand well before anyone gets on a plane.

Content that demonstrates expertise and innovative thinking is the new currency. Inbound marketing will attract early adopters and innovators who are looking for new ideas.

- Outbound marketing

In parallel to inbound marketing strategies, strategic targeting of prospects based on a defined ideal customer profile provides another way to accelerate reach and growth. Outsourced demand generation or inside sales services mean that international companies can get access to the same US-based resources used by top US firms without taking on employees. US firms are increasingly moving away from high cost outside or field sales (“feet on the street”) to telephone-based inside sales resources combined with web-based tools like WebEx. The cost of customer acquisition is now a key metric. A predominately inside sales model can deliver at least twice the reach at half the cost of an outside sales strategy. This virtual approach also allows home market-based experts to be easily brought in through Webinars and conference calls. Buyers are increasingly showing a preference for more flexible web and telephone-based engagement.

- Stop selling ... start helping

The new perspective that international firms should embrace is the move away from push focused sales techniques. The buying process as a **change management** exercise which needs to be supported. Typically, the existing solution works. There needs to be a very good reason to make a change. Factors like risk and internal politics need to be managed. Rather than selling, vendors need to help the buyers through a complex change process. The more innovative the solution, the more complex the change process involved. Relevant content and assistance ranging from business case development to post implementation management plans become vital. Case studies describing the adoption process for other companies can be helpful in addition to the more standard issue/solution/results type formats. Expert advisors rather than sales gurus are now in demand.

In-person support

Despite these changes, in-person support is needed but only at the end of the buying process (though early relationship building visits are very useful). The new web-based technologies make it feasible for home market-based founders and experts to take the lead in the buying process. Short in-person visits to the US, often built around key trade shows or other events, can be used to support buyers. Companies should not underestimate the impact that the detailed knowledge and energy that founders have. Many buyers are used to commission-driven sales people so genuine passion and deep expertise can be quite refreshing. More importantly, company management is connected directly with early adopter clients - removing the filter and allowing direct feedback. One caveat, distance cannot be used as an excuse for a lack of availability. If a prospect needs help, key members of the team need to be able and willing to get on the plane.

In-market presence

Delaying the hiring of an in-market team does not mean that companies should not have an office in-market. Co-working is a rapidly growing trend in the US (and elsewhere) that provides full access to an

office for as little as USD 200 per month. More importantly, co-working workspaces provide a ready-made social and collaborative networking environment. Other alternatives include executive offices and business incubators.

When is the right time to establish a US team?

The right time to go full-time depends on the business. The delay is likely to be relatively short for a software business reliant on partnerships with Silicon Valley based collaborators to grow revenue. The time frame for a B2B company facing long buying cycles could be years. Other factors such as average time in market by management, risk tolerance and (of course) revenue performance will drive the decision. The level of engagement in the market is a continuum. At a certain point, moving to a full-time presence makes sense. The objective of the virtual or part-time period is to set the eventual US team up to succeed so they can immediately be productive and get results quickly.

Summary

Developing the US market still requires significant management time and financial resources. However, adopting the new strategies and technologies described above can lower the barriers to entry for international firms. These techniques, combined with a period of virtual or part-time presence, allows the new market entrant to build awareness. This time also allows the firm to tailor its products and services, as well as supporting systems, to meet US conditions. Company management can more effectively contribute having built a firsthand understanding of the market. Overall, this means less risk, less financial investment, increased flexibility and a greater chance of success.

About the Author

Phil Rogers is the founding principal of Endeavour Advisory. New Zealand-born - his vision is to change US market entry from a one off high cost, high risk project for individual companies to a managed process using repeatable and proven programs that dramatically increase success rates. Phil is a Demand Generation specialist with over 17 years of experience (10 years in the US) and has held marketing, sales management, executive and GM positions for global blue chips including Diageo and Brambles as well as software and international marketing start ups. See www.endeavouradvisory.com for more.