

Top 10 considerations when getting prepared for the US market

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

The United States market is unique in terms of business opportunity. China and Brazil may dominate the headlines but remember that their growth is coming off a much lower base. Unlike developing markets, it is easy to do business in the US and the rules are clear. The size and openness of the market means that companies can dramatically scale their business. International companies do need to adjust their perspective to maximize their opportunity.

1. Think big

Companies from smaller markets need to readjust their goals. Do some analysis on market potential and plan to take a good percentage of market share over a five year period. Think about what you want your business to look like three years or five years out, write it down and then build a plan to get there.

2. A sales plan is not a plan

Many companies see the US market as simply a new market and therefore operate based on a sales plan rather than a full analysis of their business model. Look at your US operation as a start up. Critically analyze everything from your target segment, value proposition to your revenues streams and cost drivers.

3. Segmentation / Value proposition / Brand

Focus is the key to success. Identify the segments with the highest potential then develop ideal customer profiles and related personas to help with this focus. The generalist capabilities that are valuable in smaller markets are not valued or understood in the US. Buyers are looking for experts in their field. You have to be in the content business to build this expert reputation. A mix of blogs, white papers, speaking events need to be part of your strategy to build a market presence. Branding is important whatever your business. Rethink your business and make a decision on the one value or brand essence that you want to stand for. Build everything around that. Be different. Look at comparable industries and see how the most successful firms are going to market.

4. Channels

Most companies either work with a channel partner or hire a sales person in market as an initial step. You need to remember that winning the first US customers is not easy. If you are going to hire someone, you need someone who has the entrepreneurial drive and motivation to make this happen. A sales person used to working in established businesses will struggle with the transition to what is a start up environment. A channel partner's sales force is unlikely to take a risk on a new product and put their current business at risk by doing so. Creative compensation and training strategies for channel partners and prioritizing start up experience when recruiting early employees can help to manage these issues. Create a budget for demand generation and other support costs whether you choose a channel or direct

strategy. Also, think about the long term impact of these decisions. A channel partner might look like a low cost strategy initially but might not look so attractive in the medium term when revenue shares start to kick in. Founders and the management team need to commit to spending time in market to gain initial traction and support employees and / or partners.

5. Operations

Winning the sale is only one step. It is possible that you could end up with a customer in Boston and another in San Diego – a 3,000 mile drive. How are you going to support these customers cost effectively? Do your operational constraints impact the segments that you can target? Outsourcing of functions from marketing to human resources can make sense. Outsourcing makes fixed costs variable, allows you to access local expertise and networks as well as provides flexibility. The skills and processes involved with managing outsourced providers need to be thought through.

6. Financing

The evolving business plan may uncover new revenue streams and different approaches to managing costs. Achieving your businesses true potential may require outside financing. US private equity and venture markets are highly developed. The thinking big approach means that financial partners are probably a necessity.

7. Accountants and lawyers

Accountants and lawyers in the United States are plentiful and the standard of their work is generally high. The tort claims make big news but the reality is that most business-to-business relationships are no more likely to end in court than in other countries. Litigation is generally not a good business strategy unless you are protecting intellectual property rights. Consumer markets are riskier. The real value that professionals bring is their network and experience. Consider the case of an international technology company seeking financing in the US. VC firms work through introductions. The selection of a law firm, accounting firm and bank that previously worked with the target VC firms would be a key part of the financing strategy.

8. Staffing

When considering staff requirements, think about all the options including consulting and outsourced providers. Contractors from CFOs through to sales are available allowing you to keep costs low and maximize flexibility. Prioritize start up experience. A new entrant requires people who can make the impossible possible. Be skeptical when reviewing resumes. How much of the performance claimed was the person actually responsible for? Hitting sales goals with IBM is a lot different from hitting goals in a start-up with few resources. Also, remember the investment line - past performance is not indicative of future performance. Working with a Professional Employer Organization (PEO) is a good option if you are going to hire people. For a fee, they act as the employer of record taking care of the sometimes quite complex federal and state tax and compliance issues.

9. Location, networks and support

Major entrepreneurial hubs like Boston, Austin and San Francisco have a range of groups and institutions available. Consider secondary cities located near the big hubs to keep costs down. It is easier to be a big fish in a place like Providence Rhode Island compared with Boston. All states have economic development agencies that can be helpful. Get creative in areas like workspace, communications and transport. There are a slew of business services targeting the one to ten person companies. Co-working providers allow you to rent office space part-time. Car sharing gives you access to vehicles when you need it. Web conferencing is the norm.

10. Business culture and learning

The entrepreneurial culture in the United States is very impressive. Children are doing marketing projects at age 10 in the schools. New business ideas and marketing strategies are being trialed and refined all the time. Social media has made all these ideas very accessible. The learning opportunity is enormous. Take advantage of this opportunity.

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. He has an MBA from Boston University and a Masters in Law from Victoria University in New Zealand. See www.endeavouradvisory.com for more.