

US Business Culture Is Important but Not for the Reasons That You Think

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A commonly used definition of culture is “the way we see and do things around here.” The “here” part of this definition means that there are a number of aspects and levels to a discussion of culture in the US and how it impacts business. Understanding US business culture, both at a high level as well as at a corporate level, is important when it comes to succeeding in the US. Targeting prospects based on an ideal customer profile (which includes cultural preferences) is likely to improve your win ratios as well as increase the likelihood of developing long-term, profitable customer relationships.

1. Some Generalizations

Any high level discussion of business culture relies on generalizations that have many exceptions. As long as you accept this, it is worth discussing current US business culture at a high level and how it might relate to your sales and marketing efforts.

- Dated stereotypes

US sales gurus and Hollywood have created a caricature of US business culture based on old sales ideas and Gordon Gekko’s “Greed is Good” personas. While there is some element of truth in this picture, using manipulative sales tricks and focusing on sales above all else is not going to get a new market entrant far.

- The emerging business culture

The recession fast tracked a move to leaner business models where the traditional field sales approach is being downsized in favor of inbound marketing where content rules. Helping the buyer through their buying process is the new model. Real world expertise that can save the buyer time, money and reputation is highly valued. A combination of tough economic times and corporate scandals over the last decade means that old style business entertainment is closely monitored if not banned by many firms.

US business puts a lot of focus on charitable giving and volunteerism. Most companies have active corporate citizenship programs with company non-profit foundations and initiatives to encourage employee volunteerism. Developing your own social program is valuable both from a business perspective and to elevate your own mission. Committing a percentage of sales or profits to a charity is a common way to approach it. Allowing your employees paid time for volunteer activities is another way of showing commitment to social responsibility. Sustainability is now a major issue when it comes to buying decisions. Buying organizations are unlikely to pay a premium for sustainable products and services but it can be a winning strategy if all other factors are equal. A focus on supporting minority and woman-owned business is another important aspect of both government and private sector US business culture. Many government agencies and corporations have specific purchasing goals so partnering with

a certified minority or woman-owned business can be an effective strategy particularly if this strategy is linked to your organization's broader mission.

The increased use of collaboration is another big trend. Social media like Blogs, LinkedIn and services like Twitter make it far easier to find, be found, assess and collaborate with potential partners. One caveat, it is a lot easier to create a partnership than create value through a partnership relationship. Creating value through alliances requires specialist expertise, the allocation of resources and disciplined processes. Look for outside help if you do not have that expertise.

- The overall cycle

The overall US culture provides some common themes with regard to the level and focus on business activity. A big surprise for many international firms is the slowdown from late May (Memorial Day) through to early September (Labor Day). It is tough to get much happening from a business development perspective particularly over July / August summer vacation period. Thanksgiving (end of November) through to New Year is also a slower period but business activity continues at a reasonable level for B2B decisions. Like anywhere, specific sectors have characteristic seasonality with a big portion of retail sales happening in the fourth quarter.

A big change in the last ten years is the widespread adoption of sophisticated purchasing process and systems in the US. These new purchasing strategies create a more structured buying process and generally slow the process down. Firms entering the US should be realistic both about the buying cycle and buying activity when making revenue forecasts and deciding when to take on additional costs.

The other big change is the deep penetration of internet channels both for consumers and businesses. Web-based businesses from online retailers through to Software-as-a-Service vendors are directly challenging major players like mega retailer Walmart and software giant Oracle. You will need to adapt your strategy if the path to success in your home market did not have a significant web component.

- Regional cultures

Regional immigration patterns have and continue to impact the "local" cultures. The fast growing Hispanic population continues to gain in importance in all markets – particularly the South. The West Coast and Northeast seem more adept at understanding accents. Energy and enthusiasm is good but talking too fast can lead to blank looks. Check in with your audience to make sure that you are being understood. Sometimes people are too polite to let you know. Also, the pace of business varies between regions. Don't try and force the process. Let the prospective client take the lead.

2. Getting Specific

Corporate culture within the US varies widely. Some companies focus on empowered employees with equalitarian principles while others make the former Soviet Union look upbeat and freewheeling. Developing ideal customer profiles and related personas is a vital step as companies develop their

messaging for the US market. The culture of the prospective customer is an often overlooked component of the ideal customer profile. Think about your best customers in your home market. Which ones value your solution the most and why? Who do you like dealing with the best? What is it about the way they do business that makes them your most profitable / easiest to work with customer? These questions usually lead to some discussion around culture. Your firm might prefer clients with a strong purchasing culture because you offer the lowest cost solution. If design and functionality are your strengths then your focus is likely to be buying cultures that are heavily influenced by users. The US market is large enough to choose customers rather than approach the market with the mentality that all customers are good customers.

Having a targeted approach means that you cannot rely entirely on word-of-mouth, relationships and inbound marketing. Once you have your initial customers, it is necessary to do targeted outbound marketing. This involves using your ideal profile to identify a large group of prospective organizations that could fit this profile. The next phase involves a research call to confirm the fit with ongoing nurturing contact to develop the relationships based on the rule “don’t contact unless you can add value”. US business culture is built on the idea that this kind of “warm” contact is acceptable and in some cases welcomed as long as the vendor does the homework on the prospect and can truly add value.

- Buying cultures

“Why Killer Products don’t Sell” by Ian Gotts and Dominic Rowsell makes an excellent case that buyers buy products in different ways depending on how the product offers value. This is not a US market only concept but very useful in understanding the buying process in the United States. They describe four quite different buying cultures. For example, a customer may not even be able to describe a solution to a problem until the vendor brings it into focus. This process is entirely different from a known category where the buyer is simply evaluating options. The vendor needs to be organized to match the buying culture and process based on the position of the product or service is in its lifecycle. In either case, helping a prospect through a buying process in a value add way is much more effective than trying to force a sale.

- Your culture

The perception of your business is heavily influenced by the culture that you communicate. The major communication channels are leadership behavior, formal communications and the impression that is created through interactions with the company’s systems and people. Many companies see the formal communications (Website / Brochures etc) as the dominant way to create their position. However, consistency across all channels is vital to create a brand position and to reinforce messaging. Hiring the right people and rewarding them in the right way is top of the list. Many firms hire based on the idea that a person’s “rolodex” will get them into the market quickly. Commissions will motivate them to use their relationships. This focus communicates directly or indirectly through employee behaviors that the company will not be strategic in its customer acquisition (all customers are good customers).

Commission-based compensation suggests that the sale is important rather than long-term customer retention and satisfaction. It also communicates to your employees that the rewards of what usually is a team process will go to one person. This can de-motivate the support team. Hiring based on the person's ability to support the customer (technical expertise) combined with a company-wide performance bonus structure communicates a different set of priorities. This hiring and rewards approach tells your employees and your customers that you are customer-focused, think from a systems perspective, value team work and are looking for long-term success.

3. What This All Means

Understanding the impact of culture is vital for success in the US market. There is a very specific seasonality and buying processes are slow. Taking on too much cost too soon or at the wrong time of the year can be expensive. At a company level, buyers select vendors that they trust and believe are expert 70 percent more often according to a recent survey. However, a cultural fit between two organizations is a two way process. Research and profiling allows you to effectively target companies that will likely fit with your culture and become long-term, profitable clients. The good news is that the size of the US market requires you to be targeted with your client acquisition. Targeting based on an ideal profile is necessary for success. The US remains by far the largest and most open market in the world so even a small slice of the US market is likely to be far larger than your total home market. Imagine what your business would look like with ten times the number of "A" clients that you currently have.

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.