

## WHAT SUCCESSFUL EUROPEAN COMPANIES DO RIGHT - PART 1

### 6 keys for European companies to be successful on the US Market



By JP Kalmeijer

**Entering the U.S. market is a strategic Business decision that requires preparation, planning and excellent execution to achieve the desired success. It is critical that all the stakeholders in this Business Development venture are in sync and are 100% committed to its outcome.**

Over the years having worked with a multitude of Small and Medium Enterprises (SMEs) it is clear that these 6 keys are the same for each foreign direct investment into the US, but more particular to European based companies who have a tendency to underestimate their importance. COGNEGY has seen the good, the bad and the ugly, but also we have seen many ventures succeed mainly because they included all of the following 6 key contributing factors:

1. Full awareness of the *differences* between Europe and the US
2. Launched the project after *meticulous preparation*
3. Considered the project as *Business Strategic* and provided Executive backing
4. Backed the venture with *sufficient funds* for success
5. Defined a great *Value Proposition* for the market
6. Brought the *right partners* on board early

Let us look at and consider the importance and impact of each of these 6 key factors on any Business Development venture onto the US Market.

## 1. Awareness of the differences

For many Europeans English is a second language (*except for the Brits, obviously, who might agree that American English is a dialect*) and they have been very much exposed to the American culture through music, movies and perhaps travel. Therefore many European Business people assume doing business in the US is the same as at home.

Although both the United States of America and Europe are Western cultures they operate along a very different set of values and unwritten rules. Ignore these and one will keep wondering why things did not happen your way.

Many Europeans approach the entry onto the US market as a countrywide effort, where in reality it is a 'continent-wide' endeavor. Doing business in the North East will be very different from closing a deal in the South, California is definitely not Massachusetts or South Carolina.

Consider this: when savvy businessmen want to do business in China they will seek local advice, find translators and hire facilitators or culture coaches, then why would all this suddenly become redundant because one speaks English?

## 2. Meticulous preparation

Unfortunately I ignore who said it first, but the proverb "*fail to plan then plan to fail*" is particularly appropriate in the case of a European business starting or growing its presence in the US.

Starting or significantly expanding one's presence on the US market is not a tactical but a strategic endeavor that requires ample preparation. It also means that whatever worked in Europe might (will probably not) work in the domestic market place. Take time to check what part of the "magic marketing formula" can be transposed and what needs to be adapted, build a detailed timeline and adhere to it, assign a project manager who understands the pitfalls and

give him/her the decision power to make the alterations for success. And once you move from planning into execution stick to the plan, review and adjust continuously but only change at preset intervals.

When the plan has been based on a thorough Market Feasibility Study these adjustments will never be strategic but tactical, swift and quick in nature. The secret sauce to start-up success.

In our second article we will discuss the importance of the third and fourth keys: Considering the project as *Business Strategic* by providing the necessary Executive backing and backing the venture with *sufficient funds* for success.

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COGNEGY is a privately held Business and Market Development Firm that provides an array of targeted services to help small or mid-size companies enter the US market successfully. Complementing the Client's industry knowledge with local expertise COGNEGY offers flexible programs from *Business Incubation, Market Feasibility, Competitive Analysis, Strategic Planning to hands-on Market, Channel and Business Development* typically for companies already successfully established in Europe who want to market their offer/product on the highly competitive US market.

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