

WHAT SUCCESSFUL EUROPEAN COMPANIES DO RIGHT - PART 3

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.

Part 3 in the series covers Value proposition and the selection of the right partners.

The 6 keys to a successful entry are:

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 key factors 5 and 6 on any Business Development venture onto the US Market.

1. Value Proposition

It can be an eye opening moment when an honest prospect tells you *"I do not care"...*

Consider yourself the lucky one: you now realize that nobody cares about your *successes in England, your market share in Germany, your loyal client base in*

France or your achievements in Europe. No prospective client in the US cares unless you have a unique value proposition for him.

The fact that a 'proposition' is not available on the US market can indicate three things: there is a massive opportunity (*among the 312 million Americans nobody has thought of it*), it is out there somewhere but you have not detected it or it does not fit the market needs.

Forget about how you do things at home, ask yourself why you do it that way and what customer needs you fulfill. Then think how to transpose these unique attributes to one of the most competitive markets on the planet and provide a unique answer to the market needs here. A thorough competitive market analysis will unearth what needs to be done to build a winning value proposition to beat the entrenched local competition.

Keep in mind that you will have to be better - equal won't cut it.

2. The right Partners

Unfortunately too many European companies when entering the US domestic market do so relying solely on their own in house resources (with the idea to save money) and rely heavily on a high percentage of DIY. They forget that DIY is a hobby, not a profession.

It is important to surround oneself with the expertise one does not possess – it is important to know what you do not know and not remain blissfully ignorant. For immigration issues use an Immigration Lawyer who can advise on the right choices between E's, L's, P's, R's, H-1B's,... . For tax issues get a CPA on board who knows both the US and European legislation, and can help you steer clear from for example double taxation issues. For recruitment use a partner who understands the requirements of the European parent and the needs of the American candidate. Outsource whenever possible it will accelerate growth.

The same logic applies to the business development efforts, the concept of “*I will learn as I go along*” is flawed – you will learn all right but your potential partner or client will have little or no patience for your learning at their expense. They will take their business somewhere else and will not come back. Although it might be commendable to want to try it on your own – after all it is part of the entrepreneurial DNA – but it is bad business practice.

Focus on your strengths – complement your weaknesses.

In conclusion, businesses that are succeeding on the US market have mixed these 6 keys into their own unique blend. And as in any great blend the different elements make a better whole, but are still very distinct: the awareness that Europe and the US are indeed different, the meticulous project preparation, the Executive backing for such a business strategic project, the sufficient funding, a great value proposition for the US market and a desire to find the right partners.

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.

Contact JP Kalmeijer for more information.
jp.kalmeijer@cognegy.com | (c) +1 706 218 2469