



## **Welcome to America!**

Opportunities and Challenges when expanding into the US Market

Sophie Boutelegier – September 2017

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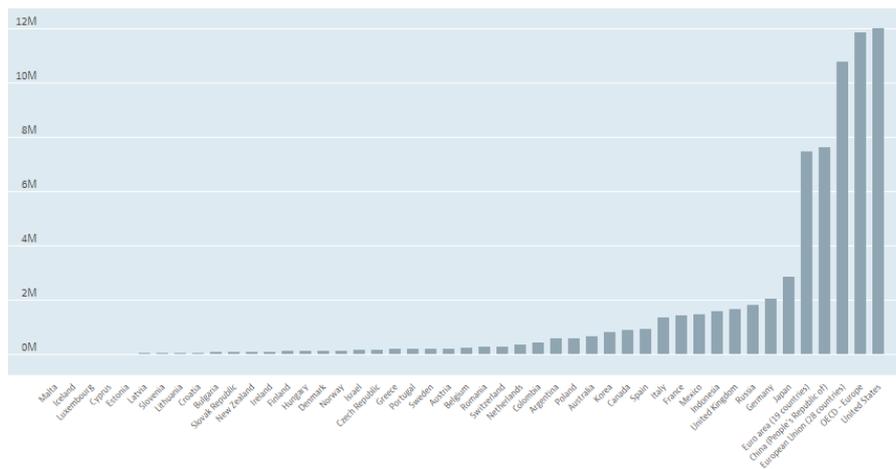


Many companies are naturally drawn to the United States when they decide to grow their business and expand internationally. There are indeed genuine opportunities for foreign companies to expand into the US market. However, there are also many challenges and in order to succeed, your company must be prepared and tread carefully in order to crack this complex market place.

### America: The Land of Opportunity

There is no doubt that the American market provides exciting growth opportunities and attractions.

**Largest market |** Being the largest consumer market in the world with nearly 325 million people, the US is a very attractive place to grow your business. Americans are also the world's biggest spenders. The household spending in the US is higher than for the 28 European Union countries combined and accounts for nearly a third of global household consumption.



Household spending Total, Millions US dollars, 2015

Source: National Accounts at a Glance

**Business-friendly Environment |** The US is one of the best countries in the world for entrepreneurs. In 2016 the US were ranked number 7 on the World Bank's Doing Business report, one of the most well-respected indexes on how friendly a country is to entrepreneurs. The measures of the World Bank include things like how long it takes to get necessary permits, how long it takes to establish a business (my Californian LLC was formed in 8 days!), and how burdensome the regulatory and tax environments are. In Europe, only the UK and Denmark are ranked higher.

**Innovation Culture** | The US ranks number 4 on the Global Innovation Index (GGI), a ranking of the most innovative countries in the world released by Cornell University, INSEAD and the World Intellectual Property Organization. The strengths of the US include the presence of high-quality universities and firms conducting global R&D, quality of scientific publications, software spending, and the state of its innovation clusters. By encouraging entrepreneurship and risk-taking, the American business culture offers an added competitive edge to the business community.

**Skilled Workforce** | The US is home to the best and most innovative universities in the world. In 2017 the 3 best universities are American: MIT, Stanford and Harvard. The US workforce is highly skilled, very diverse and mobile.

**Global Language** | English is the global language of business and is spoken at a useful level by 1.75 billion people worldwide. This makes expanding to the US less challenging than expanding to countries like China or Russia.

**Access to Capital** | The US has the largest concentration of investors in tech companies and it has a wide range of funding sources available.

**The American Spirit** | Americans are known for their 'let's go for it attitude', they are thinking big and have big ambitions. This behavior is contagious and can positively impact the way you do business in your home country. Americans are also very open to new ideas and business models.

### *Be prepared, don't get burned!*

Although the US represents an enticing opportunity for expansion, it is important to realize that doing business in the US is as complex and challenging as in any other new country.

First of all, the US is a very **competitive** market. This is especially true for places like Silicon Valley where the competition is ferocious, not only to sell your products or services, but also to hire the right talent or to raise money. It is also a very large and **complex** country, which should be treated as a series of regional markets, with varying characteristics, customer expectations, regulations, tax laws...

An underestimated challenge is the **cultural difference** between Europe and the US. Even with English as a global language, it's easy to fall into cultural traps that endanger careers or sink deals. Europe and the US have very different business cultures and understanding the differences is increasingly important in a global economy.

The US is a nation of immigrants, but being a **foreign entrant**, you will be competing with US companies who may already have a powerful network and be a step ahead.

So if you want to expand your business into the United States, you need to be prepared. A solid investigation, the right strategy and strong execution are necessary in order to be successful in this challenging market.

If you want to learn more about how Expandify can help you to grow your business, please contact me on [info@expandify.eu](mailto:info@expandify.eu) or visit [www.expandify.eu](http://www.expandify.eu)