

Business Today

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BOARDROOM MATTERS

THE LAND OF OPPORTUNITY?

SPECIAL FOCUS ON
UK TRADE WITH THE
UNITED STATES



CYBER SECURITY

Minister David Willetts
on this important issue
for business



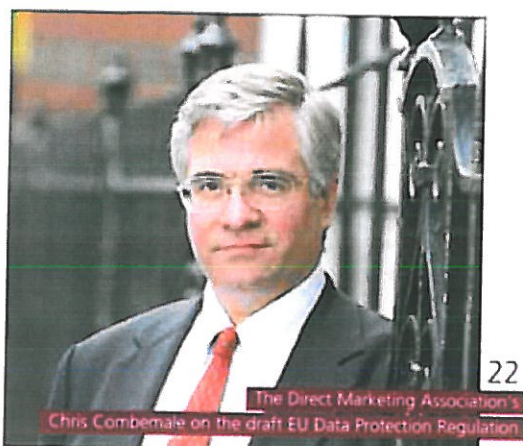
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... with research expert
and Quadrangle
chairman John Gambles



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Antony Ceravolo
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WELCOME

I've been interviewing business people for almost two decades now. In that time, there have been a handful of occasions when something somebody has said has made me sit back and look at the business landscape in a slightly different way. Such an occasion occurred just recently when talking to John Gambles, chairman and co-founder of market research agency Quadrangle (see The BT Q&A p.14-15 in this issue).

Gambles told me: "Research is the most powerful tool available to management in the 21st century. Key changes that we've seen over the last 25 years – the shift of power from the supply to the demand side, most markets now being saturated, coupled with the impact of 'digital' in, particularly, democratising access to information/buying points and speeding up life cycles – have brought this about."

He continued: "Competitive advantage is about the ability to hear, understand and respond to customers and prospects better and faster than competitors. That puts research centre-stage...because that's what great research is uniquely brilliant at."

At some levels, this is all obvious. But then, well, maybe it isn't. Question: as a business, do you really know and understand your markets and customers? Many businesses pay lip service to the idea that they do. And yet, even big names in business often appear to get it horrendously wrong at times because they are taking customers for granted. With good research, this needn't happen.

Gambles' point about digital is an interesting one. The most successful companies I've interviewed in the past two years have all embraced social media. They use it to talk to clients and prospects. And they get it. They know it's not simply a conduit via which they can force their promotional literature on unsuspecting targets. At its best, social media is an unrivalled listening tool. It works.

The main theme of this issue of Business Today is the USA, and this dovetails perfectly

with the research message above. I've no doubt the US represents a fantastic opportunity for many UK firms, even in these troubled economic times. Moreover, as you will read in this issue, going stateside can also offer an avenue into high growth markets such as Brazil, China, India and the like.

But I would hazard a guess that those British firms that do succeed in the USA will have done some painstaking research into this huge market. Desk-based research, in-person visits, talking to trade bodies and other organisations that can offer them a firmer understanding of their target markets in the USA – all will play their part.

What all of this means, of course, is that when such businesses do eventually cross the pond, the 'risk' they will be taking will have been minimised. While even the best laid plans can be derailed by unforeseen circumstances, good research can help shorten the odds in your favour.

Moreover, having conducted their research, they may well decide that the US isn't such a good idea right now after all – hence saving themselves a great deal of ill-advised investment in the process.



Mark Lane
Editor
Business Today

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We'd be delighted to hear readers' views on the content of this issue and your opinions on business generally, please feel free to email the editor at ml.editorial@tenalpspublishing.com And don't forget to follow us on twitter, at @BusinessTodayuk

THE INSIDE TRACK ON CRACKING THE US MARKET

James Berkeley is a director with Berkeley Burke International. He has worked for US professional service providers in the United States and has also consulted to US organisations and trade bodies. He has helped UK companies, large and small, exploit opportunities in the US marketplace over the past 22 years. He also writes and speaks frequently on the subject, not just to UK executives but individuals representing organisations headquartered in Europe, Middle East and Asia.



James Berkeley

Here, in no particular order, are some of his thoughts for UK executives looking to break into the US market...

On going stateside...

Breaking into the US market is relatively easy to do: continually connecting your value proposition with a clearly defined set of buyers and those buyers' improved condition is the harder part. You cannot do that by relying solely on jumping on an airplane at irregular intervals: you must decide upon a physical or virtual or a mix of both presences.

On relationships...

Whatever your product and service is, your mindset has to be 'I am in a relationship business'. Success is about building trusting relationships with individuals, not an organisation. Your starting point has to be how quickly and with the minimum effort can I build trust and become a valued partner with your US buyer.

On growth markets...

Healthcare, education, hospitality and food brands are in "high" demand. Find strong people, who you can create top line revenue growth for, bring innovation to and generate success. While the US may be your target market, remember for many larger US firms it's 'the high growth markets (Brazil, Russia, India and China) they really want to conquer.

On where to start...

Treat the US as a collection of local markets. Some success will arise from building your company's brand in each market. For example, a referral to a local buyer through one of your existing UK contacts, people contacting you after seeing your website or product materials. For those that want to proactively target specific markets my advice is pick the markets that particularly appeal to you – economically, professionally and personally.

On the power of networking...

I had the chance in my early career to live and work in Atlanta, New York, Minneapolis, Denver and San Francisco. I met professionally and personally with a number of people in all walks of life (insurance, financial services, hospitality, healthcare and restaurants etc.). They were only too pleased to introduce me to their friends, many from school or university, who had moved to other cities I was visiting. There is much more mobility around the country in the US than in the UK for people in their early twenties.

I started with four friendships in Atlanta, conservatively today I would count close to



60 people as friends and probably double that amount as business or personal acquaintances. I can directly connect 80 per cent of the people I know in the United States to those four individuals. My career has changed since those days of physically living in the US, however, I keep in touch with each individual, whether it is calling them ahead of a planned visit, sending Christmas greetings or an informal call or email exchange. Sport, culture and friendship have been the unifying conversation themes.

On mixing business and pleasure...

In building business relationships in the United States, don't confuse this with building personal friendships. Yes, there may be times when someone falls into both categories but there are very different purposes and intent. Be conscious of each relationship and its importance to you. From a business perspective, you want to focus on people who you can bring tremendous value to and whom you are comfortable articulating that too. Equally, you need to avoid the "time wasters" – they can suck the life out of your marketing efforts.

On marketing tactics...

Speaking at or attending conferences, joining local chambers of commerce or industry trade meetings work well for local introductions. I write frequently and can

highly recommend services such as PR Leads (www.prleads.com), which provides a frequent flow of US media seeking expert advice. The investment is modest but the return immeasurable. For example, I was recently interviewed by a Quick Service Restaurant magazine, around the Top 10 people challenges for US companies expanding globally. I had a well known client's experience. I was permitted to use, and illustrate, the unique challenges for US firms exploiting huge interest in the Middle East. I was able to draw comparison with their European counterparts from my home market, which added to my credibility and distinct viewpoint. A little more than two weeks after publication, a US prospect in that sector contacted me wanting to know if I could help them. They hadn't seen the article but when I sent it to them with my response, we rapidly moved onto addressing their basic needs. They said to me they didn't need any references; they were satisfied that the industry magazine would only seek comment from serious experts.

On being 'present' in the market...

Now for the hard work, how to be "virtually" present in those specific US markets. I separate these into proactive marketing tactics (calls, newsletter, articles, blogs interviews, video clips on my website and so forth). The two keys are frequency of contact and the value to the recipient. I use

local associates in each market, to proactively keep my name in front of them. I introduce my prospects and clients to each other for their own professional development or reciprocal business opportunities. I don't keep a formal office in the United States but my associates are more than happy to provide me with the requisite professional work space when visiting their city. I use the hotels I stay in as a concierge for my local business needs, packages delivered to specific clients, table reservations, meeting space, local transport and so forth.

On going the extra mile...

I provide my US clients and prospects a maximum 24 hour response; normally it is three hours within my normal working day. I organise my day in London to be accessible in standard East Coast working hours (mobile phone or email response and automated voicemail messages). I do the same when I am travelling to the Middle East or Asia, creating an 8:00AM to 9:30AM window in Hong Kong for all US calls when travelling there.

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CASE STUDY By ANDY HOUSTOUN, head of professional services with Venda

Venda is the world's largest on-demand convergent commerce provider. The company launched its stateside operations in 2005 and has helped many of its retail customers, to sell on both sides of the pond. Venda currently works with over thirty US companies including the US Mint.

An important consideration for companies setting up in the States, which we share with our retail clients, is to remember the nuances that exist, despite both countries sharing a common language.

Venda advises businesses to focus on four main areas of difference in order to avoid expensive mistakes when moving across the pond: marketing, customer experience, operations and finance.

Firstly, whilst marketing channels in the US are similar to those employed in the UK, companies need to accommodate different

consumer behaviour and identify aspects of their proposition that might appeal specifically to that market, often approaching channels and messaging with a different tone of voice.

All businesses, but retailers in particular, need to recognise that social networks are more ingrained in the American online shopper's way of life, and must be closely integrated into the customer experience. Having an opinion and feeling free to express it is central to the way Americans are brought up, so social media marketing should be leveraged as an integral part of how US businesses and their customers communicate.

With this in mind, companies launching US operations should establish a strong social media strategy before entering the market and companies that get this right from the outset will be on the way to creating brand advocates who will organically promote the business.

Customer service is a very important aspect of the American consumer experience. A larger market comes with more choice, more competition, and a different decision cycle, so integrating marketing and consumer opinion is crucial to establishing a positive customer experience.

UK businesses should align their operations to fit positioning and not the other way around. For example, if a competitor offers a two-day delivery and a retailer can only manage five-days from the UK; the company should consider a local logistics partner in order to reduce this time period.

Financially, a company should look at ways of minimising import taxes and it should be aware of exchange rates and charges, as well as of state sales taxes and levies. There is not much tax consistency throughout the US, so a company needs to look at optimising logistics to minimise these factors.