

# The Master Key to Cross-Border Business Success? A Global Mindset!

By Sophie Lechner

**S**o you think you are ready to go international. You are likely not. Consider this: Research shows that 50% to 70% of all deals fail because of culture and communication issues. It's the silent killer because it is rarely diagnosed, even after the deal is dead.

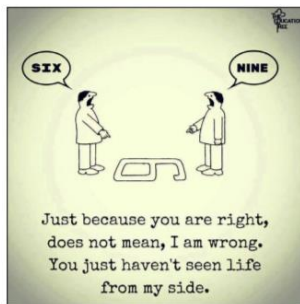
The issue comes from underestimating the role of cross-cultural understanding in the successful development of global markets. Preparation, of course is critical, but so is having a global mindset.

One of the pitfalls in global expansion comes from trying to get results too fast, focusing on the deal. The focus must be on building solid and lasting business relationships that will create a foundation for long term, sustainable business. That requires understanding the culture and adapting to it. To do any kind of business, trust is critical. And how can trust emerge if people are not communicating effectively?

Research shows that 50% to 70% of all deals fail because of culture and communication issues.

With business increasingly conducted in English you may have a false sense of comfort. You understand the words but you may be missing the person's meaning entirely. I am French and when I got my first performance review in the US I completely missed what my boss was trying to tell me! In France, if someone says you are doing a great job, then the message is simple: you are doing a great job! There is no context that needs interpreting. I would have better understood my boss' remark if I had given more weight to the context of the conversation. This happens because we all carry our own cultural assumptions into a dialogue. A global mindset means you have learned to take your assumptions out of what is being said. It takes time and effort. The good news is that if you show a willingness to do this, your counterparts will appreciate it enormously and blunders will be forgiven.

It is not about reading the etiquette book; it is about opening your mind to see



where the other person is coming from. Adapting your product to the customer in the foreign market is another very common mistake that even corporate giants make. Speaking about the failed global expansion of his company in the 1990s, the founder of Intuit, Scott Cook, said, "We should've known better." So what went wrong? After years of success in the US with the QuickBooks accounting software, Intuit launched in several European and Asian countries. After an initial success, sales started plummeting. Cook went to the countries to investigate and was struck by this user's question: "Why does it look just like an American product?" Intuit had built a product in the US that was highly intuitive (hence the name) for a US user, but only translated the materials for foreign markets. They failed to realize that people approach things differently across cultural boundaries. Intuit withdrew from their overseas markets and didn't attempt it again for over a decade.

To avoid such pitfalls, we suggest you find a guide to help you navigate your new market.

Global Commerce Education, Inc. (GCE) is a member of the French American Chamber of Commerce. The Chamber recently opened our new co-working space, FACC CoWork, especially for young companies coming to the US. GCE's G2 Experience is an immersion program that helps companies trade across borders more effectively. To learn more, go to [www.g2experience.org](http://www.g2experience.org) or call Sophie Lechner at +1 917 859 5268

Sophie Lechner is the CEO of Global Commerce Education, Inc.



# 8 Pointers for Hiring in the US

By Feargall Kenny

**A**t Glenborn we help earlier stage marketing and ecommerce SaaS firms make crucial sales hires—from CROs and VPs to senior individual contributors. Here are the pointers I give to international startups looking to learn how to start hiring in the US:

**1. Are you really ready to hire in the US yet?** Consider the alternatives. Think about contractors (1099 workers in US vernacular). Maybe using them or a sales agent is a better way for your firm to enter the US market.

**2. Assuming you are ready, get prepped to hire.**

- Incorporate with a lawyer and get prepared to hire with offer letter samples / employment contracts etc. Get an EIN (tax id), accountant, payroll, and benefits provider.

- Choose your location. Think of your sales model. Inside versus outside sales and associated labor costs. Where are your key verticals located? Move to the area closest to key customers and partners.

- Get an office. With so many co-working options this is easy and cheap in most US cities.

- Get local case studies and localized collateral fast. Acronyms like ICT are not used here, so test your lingo first.

**3. Go local fast. Hire Americans.** A few HQ transplants work for a while but the quicker you hire local the better. This is especially true the further away from the major cities you get.

**4. Get your recruitment act together before you come.** Consider hiring an agency. Local knowledge is key. Don't rely on job postings and inbound responses to those postings or ads. Inbound applications in the US are generally of very poor quality.

**5. Differentiate yourself in your outreach and interviews.** Remember candidates are bombarded by choice! For salespeople expect to be asked lots of questions around how you stack up relative to US competition. Here are some things to consider in differentiating yourself:

- Have a good backstory on your history / founding.
- Show them money raised, not revenues! That's what US startups do—in the US your revenues are not public, so why share them if they are detrimental to your pitch?
- Be aware of expectations around benefits—healthcare, 401K, etc. If you don't have them in place you will not be competitive.
- Play up the international factor! In my experience American candidates love the

mystique of working for a foreign startup and the implied international travel.

**6. Interview pitfalls and tips.**

- Beware of cultural differences. Americans (especially salespeople) tend to be more confident and assertive than Europeans. This can-do attitude that makes the US the leader in the startup world can trip you up when assessing candidates. Add a pinch of salt to most interviews.

- Beware of legal pitfalls. Certain interview question can be a no-no in the US and it is a litigious society, so better not get in trouble before you start.

**7. Paying people.**

- Salaries. Get up-to-speed on market rates for the roles at hand.

- Options. If you don't offer stock options, you will be at a competitive disadvantage versus local hirers. Options for everyone is the default expectation.

- Benefits. Healthcare and retirement offerings like 401K are crucial.

- Terminology. Get used to the hiring lingo. W2s, Base / OTE (on target earnings), exempt versus non-exempt, etc.

**8. Remember "at will" employment is a two-way street.** Employment in the US is generally "at will" which means anyone can break the relationship at any time. This flexibility makes the US very hiring (and firing) friendly. It works two ways, so be very aware that loyalty is thinner on the ground. Work on your company culture and perks to keep folks happy.

*Feargall Kenny is a New York City-based executive recruiter and president of Glenborn Corporation. @FeargallKenny*



"Business Development in the US"

10/11 @ 10:45 am

Microsoft Technology Center