

## US Marketing Revolution Creates Opportunities for High Growth NZ Firms

The US is the largest developed market in the world and a big influence on other global markets. It is important for any company with global ambitions. The current economic environment does not do a lot to encourage New Zealand firms to focus on the US. However, innovative new models and technology have dramatically reduced the costs and risks involved with entering and developing the US market. New Zealand firms can now do much of the early market development work without having to hire a US-based team.

### Hiring US-based “blue chip” sales managers

The old way to enter the US market was to hire local sales managers with companies like IBM in their resume. They would in turn build out a sales force. This sometimes worked but most of the time it didn't. Techniques such as aggressive “push” selling that worked for big established brands typically fail to get results for innovative companies new to the US. Funding even a small US-based sales team for a couple of years can easily run into seven figures. To be fair, company executives often assume that their products and services do not need localization since they were successful in their home market. However, changes to meet US customer needs are always required. Unfortunately, legitimate customer feedback is often seen as an excuse for a lack of sales results. It is important to view entering the US market as being comparable to a start-up. Founders need to be closely involved. Hiring rain makers and expecting them to succeed on their own is unlikely to be successful.

### Signing US-based partners

Another popular alternative is signing US-based partners. Unfortunately, most value added resellers (VARs) or other distributors are good at selling mature products in mature categories. They are not very motivated by or successful at marketing innovative products and services that require the ability to create or disrupt markets.

### The new approach

Over the last ten years, there has been a revolution in the way companies go-to-market in the US. These new strategies and techniques have increased the potential for success and have also dramatically reduced costs.

#### - Inbound marketing

Search engine optimization, web-based content (webinars, white papers etc) and social media strategies mean that New Zealand companies can start building a brand well before anyone gets on a plane. Content that demonstrates expertise and innovative thinking is the new currency. Inbound marketing will attract early adopters and innovators who are looking for new ideas.

#### - Outbound marketing

In parallel to inbound marketing strategies, strategic targeting of prospects based on a defined ideal customer profile provides another way to accelerate reach and growth. Outsourced demand generation

or inside sales services mean that New Zealand companies can get access to the same US-based resources used by top US firms without taking on employees. US firms are increasingly moving away from high cost outside or field sales (“feet on the street”) to telephone-based inside sales resources combined with web-based tools like WebEx. The cost of customer acquisition is now a key metric. A predominately inside sales model can deliver at least twice the reach at half the cost of an outside sales strategy. This virtual approach also allows New Zealand-based experts to be easily brought in through Webinars and conference calls. Buyers are increasingly showing a preference for more flexible web and telephone-based engagement.

### **In-person support**

Despite these changes, in-person support is needed but only at the end of the buying process (though early relationship building visits are very useful). The new web-based technologies make it feasible for New Zealand-based founders and experts to take the lead in the buying process. Short in-person visits to the US, often built around key trade shows or other events, can be used to support buyers. Companies should not underestimate the impact that the detailed knowledge and energy that founders have. Many buyers are used to commission-driven sales people so genuine passion and deep expertise can be quite refreshing. More importantly, New Zealand management is connected directly with early adopter clients - removing the filter and allowing direct feedback. One caveat, distance cannot be used as an excuse for a lack of availability. If a prospect needs help, key members of the New Zealand team need to be able and willing to get on the plane.

### **Stop selling ... start helping**

The final element that New Zealand firms should embrace is the move away from push focused sales techniques. The buying process as a **change management** exercise which needs to be supported. Typically, the existing solution works. There needs to be a very good reason to make a change. Factors like risk and internal politics need to be managed. Rather than selling, vendors need to help the buyers through a complex change process. The more innovative the solution, the more complex the change process involved. Relevant content and assistance ranging from business case development to post implementation management plans become vital. Case studies describing the adoption process for other companies can be helpful in addition to the more standard issue/solution/results type formats. Expert advisors rather than sales gurus are now in demand.

### **Summary**

Successfully developing the US market still requires management time and financial resources. However, adopting the new strategies and technologies described above can lower the barriers to entry for New Zealand firms. Delaying the hiring of a US-based team or partner can give them a better chance of success. After two or three years of virtual presence, brand awareness is already established. The firm’s products and services, as well as supporting systems, are already tested and adapted to meet US conditions. Company management can more effectively contribute having built a firsthand understanding of the market. Overall, this means less risk, less financial investment, increased flexibility and a greater chance of success.

## About the Author

Phil Rogers is the founding Principal of Endeavour Advisory. Phil is a Demand Generation specialist with over 17 years of experience (10 years in the US) and has held marketing, sales management, executive and GM positions for global blue chips including Diageo and Brambles as well as start ups and high growth firms. Industry experience includes technology, services and consumer goods. He has an MBA (High Honors) from Boston University and a LLM (Honors) from Victoria University. See [www.endeavouradvisory.com](http://www.endeavouradvisory.com) for more.