

Helping
take your business to the world



Australian Government
Austrade

Doing Business in the USA

**Jim Enright, Trade Commissioner,
Chicago
June 2004**

Understand the market

- **A truism : The US is the world's largest market**
 - It is also the most competitive
- **You're Australian**
 - That's great, BUT.....
- **The US is a foreign country**
 - It's not "just like home"
 - US social structures and attitudes are different
 - Australian experience and feedback counts for little
- **Understand the market and the players**
 - Internet is a primary source of market information in the US



What is your value proposition?

- **What are you selling and why is it different to your competitors?**
 - Have a clearly articulated “value proposition”



Be prepared

- **Protect intellectual property where possible**
- **Understand regulatory issues**
- **Joining industry associations can add to credibility**
- **Have a marketing strategy and marketing plan**
- **Have a good marketing “package”**
 - highly visible value proposition
 - high quality, well designed promotional literature & web site
 - American spelling & imperial measurements
 - (61 X) for phone and fax numbers on business cards
 - possibly a 1 800 number, etc



“What makes them tick?”

- **Must show a long term commitment to the market, eg multiple visits, trade show participation, etc**
- **Personal phone calls and meetings is how business gets done**
- **US business executives :**
 - Are generally polite but direct
 - Focussed on short term results (especially in public companies)
 - Jaundiced - have seen and heard it all before
 - Deluged with unsolicited offers every day
 - Have no time for “tyre kickers”
 - Need a powerful reason to deal with a company “on the other side of the world”



Business realities

- **Unsolicited emails and letters are “junk” and very rarely get a response**
- **Voicemail is commonly used to screen calls**
- **“Cold call” voicemails are rarely returned (and never returned to Australia)**
 - Austrade averages between 1 : 10 and 1 : 20 return calls
- **Be persistent**
 - it’s practically impossible to “hassle” an American!
- **Lack of effective follow up is a major cause of Australian SME failure in the US**



Selling successfully

•Negotiating a deal

- No-one wants to be a “pioneer”
 - The first deal is always harder than the second
- May need to have an “introductory” offer (but one that stands on it’s own)
- Need a “win-win” outcome based on building a long term relationship
- Do not seek ambit payments
- Payment terms – L/C’s rarely used, generally open account
 - Seek some advance payment for initial deals

•When you get the deal

- What about cash flow? : EFIC working capital guarantees can help
- What about getting paid? : Gerling/Aradius can help
- How do you sustain your marketing expenditure? : EMDG can help



It's worth the effort

- **Yes it is difficult**

- but over 9,000 Australian companies are currently exporting to the USA



Australian Government
Austrade

Useful Sites

Austrade – <http://www.austrade.com.au>

**Hoovers – <http://www.hoovers.com>
- information on US companies**

**Thomas Register of American Manufacturers –
<http://www.thomasregister.com>**

US Patent and Trademarks Office – <http://www.uspto.gov>

**UAS Customs Tariff -
http://hotdocs.usitc.gov/tariff_chapters_current/toc.html**



Australian Government
Austrade