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## STRATEGIES

# Doing business in the U.S.A.

### Consultant helps foreign companies set up shop

BY JOHN R. CRANE  
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Peter Bryant, the Australian founder of a new consulting firm that helps European and Australian companies looking to set up shop in the United States, says Denver is a friendly alternative to gargantuan cities like New York, Boston or Los Angeles.

"You don't get lost in all the noise," said Bryant, the CEO of Cherry Creek-based TransTech. Bryant holds an accounting degree from Victoria University in New Zealand and is a fellow at the Australian Institute of Company Directors.

Bryant arrived in Denver seven years ago and has 20 years' experience in the technology industry. He formed TransTech in April after resigning as CEO of Clear Technologies, a software firm, in March.

His passion for consulting began in 2000 when he attended an international business conference in Palo Alto, Calif. The topic was why there was such a low success rate for foreign businesses in the U.S.

Bryant said that overseas businesses that expand to Denver benefit from ready access to colleges, universities and government officials and a better quality of life.

"The business climate here is welcoming and friendly and companies like to do business based on relationships," said John Maguire, Her Majesty's consul at the British Consulate, which is expanding its Denver building to take advantage of emerging business opportunities for British companies.

Colorado has the fourth-largest number of defense companies in the nation, behind California, Florida and Texas, Maguire added. Denver has such large companies as JD Edwards

and Qwest Communications International Inc.

"There are good opportunities in Denver," Maguire said. "The breadth of industry is amazing in Colorado considering its size."

However, even in the relatively cozy Mile High City, international companies must learn to adapt to the American way of doing business.

Bryant said one problem with companies in Europe, Australia and New Zealand is their approach to marketing. Unlike in the U.S., marketing in those countries is the lowest priority.

"(The attitude is) 'our products are good enough, they will come,'" Bryant said, summing up their non-aggressive approach to advertising, which stands in stark contrast to America's bold, flashy marketing techniques via print media, billboards, television and the Internet. "This is a set-up for failure in the U.S."

Many overseas business owners may see the U.S. as one vast, homogenous market, and that can be counterproductive, Maguire said. The U.S. is split into regions, and companies expanding here must find out who the players are in a particular area.

Bryant agrees that seeking out contacts is paramount, no matter where a business locates.

"In the U.S., you have to talk to industry analysts, media, IT [information technology] and trade publications to create a name for yourself," said Bryant, who will concentrate his practice in the tech industry.

In Australia, for example, companies are hesitant to introduce a product until it is properly engi-



Peter Bryant is president of TransTech USA, a consulting firm that helps foreign companies position themselves in America.

neered, Bryant said. But in America, a company will market a product before it is finished, sometimes months or years before it's available to consumers. Automakers commonly showcase automobiles years in advance of their appearances on car lots.

Bryant pointed out Oracle's practice of building public anticipation of new software as another example.

Sometimes the hype may not be about the product alone. Bryant notes that Starbucks's coffee shop is as much a selling point for the chain -- if not more so -- as the coffee itself.

Another factor separating the U.S. way from business traditions overseas is a larger government presence in European and Australian markets. As a result, overseas companies have been left behind. Australia only recently passed laws eliminating a 50 percent capital gains tax on foreign investment and allowing venture capital partnerships to model themselves after those in the U.S., Bryant said.

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## Consultant: Companies from other countries often experience problems starting up here

In most cases, Bryant pointed out, European and Australian investors do not have enough links to U.S. capital. The international venture capital market is immature because of onerous government regulations and companies' risk-averse nature, he said.

"Foreign companies don't grasp the cost of doing business in the U.S.," Bryant said. "They are undercapitalized. European investors do not have enough money."

Bringing in an American CEO to jump-start a fledgling company would be expensive, Bryant said. The average annual salary for an Australian CEO is the equivalent of \$120,000, far less than that of a CEO in the U.S.

Bryant added that more venture capital funds are available in the state of Michigan alone than in all of Australia.

It is no wonder, then, why overseas companies trying to start business in the U.S. can be overwhelmed. America's vast wealth and global economic power is nothing new.

The U.S. represents 60 percent of world IT investment, Bryant said. Japan has the second-highest share at 12 percent.

However, what Bryant calls a learning curve in foreign companies persists. Overseas companies trying to settle in America usually land themselves in a big city and spend a year-and-a-half searching for contacts only to go home empty-handed, Bryant said.

"You can waste so much time and money trying to make it in the U.S. that the competition zooms right by you," he said.

Sometimes the market fizzles by the time the company begins to progress. Bryant told the story of an Australian software company that tried to launch a Denver business in 1999. By the time the owners figured out the market 12 to 18 months later, it collapsed, he said.

Also, economic output in the U.S. far exceeds that of other countries.

At the end of World War II, Germans worked an average of 2,100 hours a year, compared with 1,600 for Americans. Now those numbers are reversed, Bryant said. Many European countries grant their workers six weeks vacation a year, a perk that can take many years to acquire at a U.S. company.

Indeed, how people interact with each other in the workplace is a gulf that divides the Old World from the new. Or the New World from the rest.

"We use humor in the workplace," Bryant said. "In the U.S., it can be misconstrued."

Humor can seem out of place with America's impatient, I-need-it-yesterday fixation on efficiency and maximized profits.

"Very aggressive," Bryant described it. "It's all about speed of execution."

But why should businesses in Europe, Australia and New Zealand try to make it big in the U.S.?

"Any company successful in a domestic market must consider where else it can be successful," Maguire said. "Britain, Australia and the U.S. all speak the same language. One hopes products can translate across those borders.

"You've got to expand your horizons," he added.

Maguire added that U.S. citizens are the biggest consumers in the world and a small percentage of that market is beneficial for small-to-medium sized companies. Intellectual and physical products such as software, movies and books lend themselves to similar markets, he said.

Maguire added that consulting groups are becoming international, as a result. Similar markets do not always coincide with similar business styles.

"At the end of the day, everyone wants the same thing," Maguire said.