

ESTABLISHING YOUR SALES TEAM IN A FOREIGN COUNTRY



INTRODUCTION

When companies expand internationally, their to-do lists often start with creating a local sales presence. This makes sense, since most market expansion efforts aim to drive sales—and revenue—in new geographies as quickly as possible.

But rushing into this process can easily backfire, unless you carefully consider a host of factors, including:

- Your company's needs
- The business practices and culture of your new market
- Customer preferences
- Available resources
- Logistics
- Costs

This ebook guides you through the factors that can impact development of sales teams in foreign markets. It's divided into three parts:

- 01** Conducting in-depth research on multiple aspects of the new country or region
- 02** Making important decisions about office location, team structure, cultural nuances, selling approaches and more
- 03** Implementing your chosen sales strategy with the greatest flexibility, efficiency and cost-effectiveness

Let's get started.

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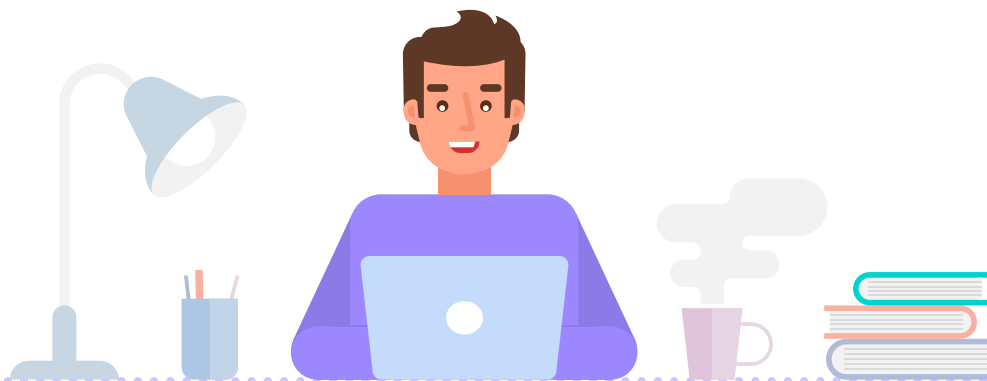
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01 DO YOUR HOMEWORK

Before you make any decisions about how to build your sales team, it's vital to learn as much as you can about the country or region you're expanding into. It's particularly important to study local business practices, customer expectations and preferences, and helpful resources that might be available (such as sales talent, potential partners and consultants).

Here are some good sources of information, listed in order from easy and free to more complex and costly:

- ➔ Google searches
- ➔ Social media platforms, such as LinkedIn
- ➔ Competitors' websites
- ➔ Expertise from within your company and from your professional networks
- ➔ Government economic development organizations and institutes
- ➔ Industry associations and trade publications focused on the country/region
- ➔ Analyst reports on your industry sector and target market
- ➔ Market research or surveys commissioned by your company
- ➔ Consultants offering advice (regional experts, import/export specialists)
- ➔ Consultants (agents) who can act in your behalf to open the office, hire staff, etc.



LOOKING FOR INSIGHTS

As you consult these resources, dig for valuable insights that can inform the sales function in your new market. For instance:

01 WHAT IS THE TYPICAL DECISION-MAKING PROCESS FOR CUSTOMERS IN THIS MARKET?

To determine the number of sales staff and support people you'll need, try to estimate the typical sales process for a customer in the region, including the length of the sales cycle and what stages a buyer tends to go through. This can vary widely, depending on the complexity of your offering and the business practices of the country or region.

- ➔ You may need to conduct a demonstration or even set up a pilot, which will require engineers or technical experts.
- ➔ Customers—especially buyers in large organizations—may expect involvement by company executives to close the deal.

A blog from CEB, now part of Gartner, reveals:

Globally, an average of 6.8 people are typically involved in the decision to make a B2B purchase. In Asia, an average of 7.7 people are involved to get the decision through in the first place, which then often requires additional approval from HQ, too.



02 HOW DO CUSTOMERS PREFER TO WORK WITH SALESPEOPLE?

Buyers in some cultures prefer face-to-face meetings throughout the sales process, while others may be fine with efficient emails and phone calls. The level of in-person contact will influence how many in-country salespeople you'll need.

- ➔ For instance, you may be able to supplement local account representatives with remote staff—sales development reps, engineers or product experts—who can travel on-site as needed.
- ➔ Or, you might be able to leverage corporate sales staff for initial online or phone outreach until a strong lead is generated, and then leverage a local account person to handle the prospect.

03 WHAT LANGUAGE(S) SHOULD THE SALESPEOPLE SPEAK?

In some countries, speaking the local language is essential to a good business relationship, while in others, English is widely accepted.

- ➔ If your sales team will be covering several countries in a region—say, Europe—you may need multilingual staff to accommodate them.
- ➔ In some cases, customers may be comfortable being approached by a sales development rep who speaks English, but once the deal progresses, may expect the account executive to communicate in the local language.



TOP GLOBAL LANGUAGES

While English is the world's most common business language, a recent blog listed nine other leading global business languages:

- 1 Chinese
- 2 Spanish
- 3 Arabic
- 4 German
- 5 Portuguese
- 6 Russian
- 7 French
- 8 Japanese
- 9 Hindi

04 HOW EASILY CAN YOU FIND POTENTIAL SALES EMPLOYEES?

Once you've determined which languages your salespeople should speak, you need to think about how and where to find candidates in that new geography. Availability of talent is a key factor in deciding where your sales office should be located.

As part of your research, identify universities and trade schools in your market whose graduates could be great additions to your team. Competitors with experienced staff can also be great sources of talent who might be looking to make a change.

DECISION TIME

Based on your research and improved understanding of your new market, you should now be able to make some key decisions about your new sales organization, starting with where to open your sales office.

LOCATION, LOCATION, LOCATION

01 PROXIMITY TO CUSTOMERS

If you've learned that most potential customers prefer face-to-face interactions and fast responses, you'll need an office close to them. However, if they're satisfied with remote interactions (at least in the early states of the sales cycle), you could choose a major city in the region and have salespeople travel locally as needed.

Remember, you don't necessarily have to be based in the countries you are targeting. For instance, you could establish your main European sales office in a central spot—such as Switzerland—and cover Germany and France from there.



02 ACCESS

Easy access to airports, railway and subway stations, major highways and other transportation routes is important to ensure your sales team can get to customer sites—and to corporate headquarters for meetings—without wasting time. Of course, convenient access often comes with a higher price tag for office space, but the advantages of convenience and speed may be worth it.

03 REAL ESTATE

Whether you decide to purchase or lease space will undoubtedly depend on cost and availability. At first, it will probably make more sense to lease until you determine that the new location works—and that the market can deliver on its potential for your business. In this case, look for short-term leases or consider co-locating with a partner or agent in the area.

04 COSTS

While basing employees in a major city and having them travel throughout a region may seem efficient, real estate costs in large urban areas can be astronomical. (Think Tokyo or London.) It may be less expensive in the long run to choose a smaller city or town in each country and open separate offices with their own staffs.

05 LOGISTICS

Also consider how you will distribute or deliver your products in the new market. If you intend to set up local manufacturing capabilities, you should find a location with good railroad or truck infrastructures. If distribution is handled by headquarters using shipping services like FedEx, or if your product is virtual, you'll naturally have more flexibility.

HIRING VS. TRANSFERRING STAFF

On one hand, hiring local sales staff means training them in corporate processes, products and services. On the other, transferring employees from headquarters or another location will probably require training in the local culture, business practices and customer landscape.

- ➔ Local employees may not demand salaries and benefits as generous as those for transferees—or they could expect even more. European benefits are typically more generous than U.S. benefits, but salaries can be much lower.
- ➔ Relying on remote staff to handle some or all sales functions still requires outlays for travel when face-to-face meetings are expected by your customers.

If you use a recruiter, be sure to choose one that knows both your industry and the local market. In time, you can switch to an internal hiring process, especially if you also need to establish connections with local universities where you may have good luck finding sales development representatives.

NEW VS. EXISTING PROCESSES

A new sales office presents a great opportunity to experiment with new business processes in general, and to tailor them to the local culture. A smaller, more nimble local team may make it easier to implement new practices.

You need to decide how much variation from corporate practices is acceptable in local offices. In some cases, certain changes may actually be required by local regulations or laws.

- It can help to study other organizations in the new market to see how they operate. Hiring someone away from a local competitor can be priceless, thanks to their knowledge of both the market and the industry.
- It's a good idea to hire or contract with local experts in law, regulations, accounting and finance—even if you have a strong corporate team.



03 TAKING THE PLUNGE

After making key decisions about location, staffing and organization, you can begin implementing them. One important question to answer is: What comes first? Should you assemble or hire the sales staff and start them on customer outreach while you set up the new office space, or vice versa?

If you plan to hit the ground running by having sales staff work out of temporary spaces while the office is being set up, be sure they have:

- ➔ Access to high-speed Internet and wireless connections
- ➔ Assistance with administration, either locally from a vendor or remotely from headquarters
- ➔ Technical support, again either from a local vendor or over the network

However, if you want to equip and open the office before transferring corporate staff or hiring locals, you can still establish a presence ahead of time. **The best way to do this is by creating a multilingual website for the new market.** A translated website will:

- ➔ Establish your brand in the local area or raise existing awareness
- ➔ Provide an informational resource that is ready when the new sales team starts working
- ➔ Demonstrate your commitment to the new market, helping pave the way for sales activities
- ➔ Help you attract partners if you wish to use the channel in addition to direct sales

CONCLUSION

Expanding your company through international sales operations shouldn't be taken lightly, but it can be a valuable investment in your global expansion efforts. To avoid costly mistakes:

- ➔ Conduct due diligence
- ➔ Start small
- ➔ Be flexible
- ➔ Try new things

Above all, be persistent yet practical when problems come up, stay nimble and expect the unexpected. International expansion is an adventure, but can be one of the most exciting decisions your business will ever make.

ABOUT MOTIONPOINT

MotionPoint solves the operational complexity and cost of website localization. Unlike all other approaches, our technology and turn-key solution are built specifically for this purpose.

We translate, deploy, and operate multilingual websites, optimizing the customer experience across all channels.

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