

Is Your Tech Company Ready For Global Expansion?



**SALES
FORCE
EUROPE**

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How to get your tech company ready for global expansion



Sales planning for a successful global expansion

The tech space is filled with keywords — strategy, disruption, change — but the backbone of that — SALES — seems to be taboo. Tech companies talk about fundraising proudly, but for some reason sales — the true sign of a successful product — is avoided. Sales is the only path to revenue and long-term success — not fundraising, not shiny tech, only sales.

You've spent years developing your technology and building a great team. But how much time have you given to planning sales? How much time have you put into documenting and actualizing a successful, thought-out sales strategy? This becomes even more critical as you plan for international expansion.

You must discuss, plan, and document your successful sales strategies in your home market before looking toward global expansion.

Not going through sales planning is a mistake many tech organizations make. Which is why they never expand past their comfort zones, even after their sales turn stale at home. Many companies just rely on the very valuable, yet very limited network of their founders. And that can only get you so far.

This guide will help your tech company be successful as it expands to foreign markets.



How do you know your tech company is ready for global expansion?

First step before looking abroad is clarifying your value propositions and unique benefits. Focus on what your product does well, and work to become the best at doing that one thing. That's the nearly perfected product you want to bring with your company overseas.



Understanding your solution's unique value proposition is your most important sales asset.

This doesn't just mean a great tool either. You need to have your solution fully documented from a marketing and product perspective. You need your new client onboarding process honed. Technical support and customer success in place. You want to not only have a great tool, but one people enjoy using.



It's important to evaluate your current processes, successes, failures and especially metrics before looking to go elsewhere. Every startup goes through an exploration phase of trying different products or services, pricing, and verticals, and then they focus on one combination that works well for them and scales well within their home market.

Be able to answer:

- ✓ Why do you win or lose deals? How can you replicate those wins abroad?
- ✓ Who is your ideal customer in terms of size? vertical? type?
- ✓ Which roles are you selling into? Who are key decision makers?
- ✓ Who are currently your most profitable clients?

Build your value proposition into your sales and marketing collateral (you can later customize for local languages and markets, as needed). Document out your sales, marketing, and lead generation processes so they can be replicated in new markets.

Also check that you have established clear operational processes, not just how you attract new clients, but how you service them, including any support offering.





Identify your reference customers

Heading abroad takes a big commitment and you need to make sure that your product or service has properly matured at home before looking to expand.

Leverage that base and your existing network as a way to learn about why people want to use your technology. Clarify your ideal customers and verticals. What motivates them to buy your product or service?

Identify active users of your product who are willing to say, on the record, why they love it. You need reference clients in your target verticals. Make sure their testimonials and case studies are easily found on your website and are ready for translation before you expand to your next market. And see if these brand ambassadors will even go a step farther to make a video testimonial or to write about their experience elsewhere, whether their own website or perhaps on Forbes or a vertical-specific journal.



Testimonials are key proofs of service.





Reflect on your home sales

Certainly there's a right and a wrong time to expand your business to other countries. First, you need to have money saved for this investment or reliable recurring revenue from your home customer base.

It's best to work out a predictable budget based on your situation at home. Let's say each customer brings in an annual recurring revenue of £50,000 and you set an annual target of £1 million. So you need to close 20 deals. That means you need a lead pipeline worth about £4 million — or about 300 leads to turn into 80 opportunities to sign those 20 new customers.

You know that saying 'Don't put all your eggs in one basket'? Well, you also don't want to spread yourself thin either. While we live in a globalized world where all are connected, local still matters. Some Companies try to do it all from home or rush to every major country— either way you will strain existing resources.





If you try to sell to everyone, you will sell to no one.

Armed with that information, now you can calculate how much will it take to replicate this for the customer base abroad.

Do you have this sort of staff or financial resources to cover this commitment for at least a year?





Get your C-team on board

After the budget, the next most important piece of global expansion is your support back home.

Your whole C-suite, including founders and investors, needs to be ready to go all-in. Moving to new markets isn't something you can do on the weekends — it takes full commitment from your whole team.

From sales and marketing, to IT and operations, to customer support, legal, and finance. Just remember that the team back home is there to support, not to deliver the deals.



While not everyone moves abroad, your whole team needs to be committed to your international expansion.

We've estimated that each existing team member should be dedicating about one day a week to your global expansion process. This isn't just dialing into Monday all-hands meetings. Your CEO, CTO, and sales management should show this commitment by flying over and learning about your new markets and business cultures. And when that's not available, they should be joining Zoom calls with the local sales representatives and prospects. It really takes active engagement with the prospective clients and new sales channels to show your commitment to a new market.

Then, once your home support team is ready, it's time to build your international team, with regional experts, native to their local markets, and highly qualified for your target verticals.

Where to start plotting an international expansion

Finding your next market means reaching past that first network of customers that came from your C-level network



Look back before looking forward

Start out by taking a look at your current clients — do they have international offices? That may be your perfect place to start — just don't be afraid to ask for an introduction.

Sit down with marketing and review where your current qualified inbound leads are coming from. Have you identified certain channels or successful funnels that could be repeated in a new country?

Look at your website traffic — are you already getting interest from other countries? Which ones? Maybe there's a common language?

Of course don't forget to look at the competition. Where are they? If they have a 50 percent market share in one country, it's probably not the best place to start, but maybe they are missing a different place that's ripe for the picking. If you have a strong competitor in the U.S. that's just opened an office in London, maybe you look to Paris, Berlin, or Madrid as your European launchpad.

This is again where really knowing your value proposition is key — you need to know how you compare with competitors in new markets so you can emphasize what makes you stand out against them. Understand your worth, write it down, and then involve regional experts to help best deliver on your strategy.

When you're ready to launch, test your pitch in your new target markets, and be ready to adapt your message to local subtleties. Partnering with locals means you automatically get a better understanding of each unique culture and how best to approach sales there.



Build your pipeline

Sales have evolved and your target prospects no longer want to be 'sold to.' They want to find their own solutions, and generally will accept sales calls to confirm their understanding and progress the sales process.

When launching in a new market, it's no longer enough just to have a well-connected Account Executive in the region leveraging their network and cold calling. Each new market engagement must be supported by some level of inbound and outbound lead generation activities, done at the local level in the local language. And lead generation is no longer just a qualifying call but about 12 points of contact — through website, newsletter, social media, and calls — before a deal is headed toward closed.



Be ready to play the long game

Successfully setting up recurring revenue in a new international market takes time, at least a year. Sales Force Europe's CEO Rick Pizzoli says you should mark your global expansion milestones in quarters.

What does a global expansion timeline look like?

- ✓ **Q1: Building your brand.**
- ✓ **Q2: Close your first important deal.**
- ✓ **Q3: Use first reference customers to close more deals.**
- ✓ **Q4: See first ROI.**

He says your first quarter is really about building your brand. Get in front of your target audience, sign as many trials and demos as you can. And channel sales agreements where applicable.

The second quarter is all about closing that first deal. Focus on closing your lead customer, making sure they're happy and ready to demonstrate that satisfaction. Be open to doing whatever you can to close that deal, even if it means lowering your price just this once.

Once this awesome example is in place, you can start using it to attract other clients. Your third and fourth quarters are where you should finally see your time and financial investment paying off, as you start to really see revenue growth.

If you do this right — without overinvesting in office space and employees — you can be cash flow positive by the end of the first year.

You may have some huge enterprise customers in your home markets, but your preliminary success may not come from that abroad. Look to first sign smaller customers, proving yourself in the local market. (Unless those enterprise customers have offices abroad, then start there.)

Just don't make the classic mistake of building a big office in London before you even know if the UK is where you should be.

Test your international markets, build some sales and then build your international business around your early successes.





Understand and explore your international sales options

There are four different models that technology companies typically approach international expansion with.

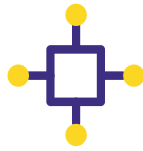
These aren't mutually exclusive as most companies expand using a combination of these, reallocating resources as they learn what works best for them and their new target audiences.



Global Expansion via Headquarters-Based Direct Sales

HQ-based direct sales is leveraging your own sales team to sell into new markets, in-person and by phone. This may have you flying back and forth and juggling time zones and video conferencing calls. This is a good way to learn about and get enthusiastic about your new markets, but the distance can limit your ability to develop sustainable revenue.

If you're leveraging your current sales and management teams to do this, you're distracting them from what they are already good at — selling to your home market. This may work well for smaller deals of under \$25,000 which you can usually close via inside sales tactics, but even inside sales is more effective when delivered at the regional level, in the local language.



Global Expansion via Channel Sales

This is definitely a successful sales method to explore because it involves focusing on successful verticals and leveraging existing networks. On the other hand, this often involves third-party sales teams who may not be well-versed in your value proposition, getting a large chunk of that revenue, often for a long period of time.

In addition, somebody on your side is still needed to qualify the best channels and to provide the technical and sales training to onboard the client for your particular offering. Don't forget that channel sales cannot live alone, they need to be actively managed. There is a lot of heavy lifting that needs to be done from a channel management perspective at the local level to deliver sustainable revenue.





Global Expansion via a Local Foreign Office

This is your biggest risk. Sure, it's a great way to show your commitment to those new accounts and your new sales reps, but you are putting the cart before the horse, building an office and hiring permanent employees before you've proven the market.

However, once you have some reliable revenue flowing and a successful sales team already in place, this is a great move to show your long-term commitment to that new locale.





Global Expansion via On-Demand Sales Teams

Sales team outsourcing is the contracting of a team already in place with its own local network and proven experience in the market. It can bring with it a mix of the different methods above — especially field, inside and channel sales. This means people that are qualified in selling your technology to your target vertical help you get to market faster — six to 12 months faster than any other option — which saves you money and diminishes the risks of expanding abroad.

Contracted sales teams typically work on a fixed budget with commission, so you know your costs up front and can see your return on investment sooner.

This type of sales outsourcing usually comes with other support like marketing, lead generation and customer service, allowing a scalable way to provide full service. These teams can be transitioned anytime from a service contract to an employment contract if desired.

About Sales Force Europe

Sales Force Europe is a bespoke, on-demand sales team outsourcing, lead generation and market analysis service specializing in tech companies targeting European markets.

Since 2003, we have helped more than 300 tech companies increase revenue and customer bases through global expansion — half Silicon Valley companies looking to reach Europe and the other half European companies looking to expand around the continent. We focus mainly on a variety of SaaS solutions, Telecom applications and the Internet of Things, and channel sales for hardware solutions.

We have about a hundred in-country account executives, each with over a decade of local tech sales experience. They represent our tech clients with a full-service sales strategy, from market research and lead generation to inside sales to on-the-ground field sales management. We can provide you with a full European business development strategy or we can manage country by country, helping you scale in response to the market. All under one contract.

When technology companies are going through the long process of setting up a local office, with local hires, it takes about six to 12 months to start selling. With Sales Force Europe, it takes about a month to have our sales execs engaged with your product and talking to their network of tech clients on your behalf.

Is your technology company ready for global expansion?

We're here to help!



The Simplest Way To Grow Your Tech Business In Europe.

More Speed. More Expertise. Less Risk.

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