

Being Successful in the U.S. Market: A Few Crucial Issues and 10 Quick Tips

Letizia Airos Soria (January 20, 2020)



In the run-up to the Italian Export Forum due to open on January 27 at the SVA Theatre in New York, we sat down with Rocco Totino, one of the participants to the Forum's panel entitled "Italy: Exporting Beauty". Rocco Totino is a Partner and leader of the Italian Practice at Grassi & Co., a New York-based, premier professional service organizations specializing in accounting, auditing, tax, technology, and business consulting services.

Mr. Totino, in your experience as a business consultant, what are the major issues faced by Italian businesses who come to the U.S.? How do you help them confront these issues?

When first entering the U.S. market, Italian companies must face the fundamental cultural issues of the local market: "How do things work?" and "What's the regulatory structure?" This applies not only at the Federal level, but also state and local. There are 50 states with their own rules and then cities and, overseeing it all is the Federal government. Understanding the complexity of the regulatory and legal environment the company will be operating in is critically important.



Once they educate themselves on these fundamentals, they can then concentrate on a few crucial issues:

Location: What they sell and the services they provide will determine what location they should be in. They need to consider their market and their distribution strategy.

Budget: They need to structure a realistic budget and devote the resources/investment necessary to be successful. This means preparing to experience some tough financial results, sometimes over a few years

Personnel: Who do they need to hire and what's the availability for their target employees

Training: What's the plan to train personnel to fit their needs

Benefit Costs: In addition to salary expenses, new employers need to consider the cost of employee benefits like medical plans, retirement benefits, and other benefits, some mandated bylaw.

Tax Code Compliance: Not only Federal but states and local.

Consultants: Selecting the appropriate consultants to assist, guide and explain all of the issues and potential opportunities mentioned above. The consultants you choose should have the requisite experience, talent, breadth and depth to provide cogent advice at each stage of the process. You want advisors who can help you navigate and who have the capacity to grow with your long-term needs.

It has been my experience that businesses that prepare themselves by performing the requisite market research and align with experienced consultants have been the most successful.

Italy's success depends largely on creativity and entrepreneurship of small and medium businesses. How can they be helped to enter the American market and successfully manage their presence here?

Getting help and being prepared before they enter the U.S. is, in my opinion, the key to success in a new market like the U.S. Here are my 10 quick tips:

- 1) Do the market research to identify opportunities for the products you want to produce and sell or the services you want to offer: "What is their competition like?" "Where is the market?" "What differentiates your offering from others already in the U.S. market?"
- 2) Determining where to locate is also critical because it impacts costs and can position your company close to the markets you want to serve.
- 3) Investigate incentives. There are many states and localities that offer various incentives for a company to set up in their state/city.
- 4) Have sufficient financial resources available to sustain your venture for a few potentially lean years.
- 5) Connect with the "right" advisors; those who can provide analysis and appropriate advice before the venture begins. This is very important. Your advisors need to be practical and realistic. If the plan to enter the U.S. is not supportable, they should so advise.
- 6) Have the right leadership and personnel.
- 7) Do not enter the US market at a scale you cannot sustain; start small if that is what it takes.
- 8) Be realistic and do not expect great results immediately. Patience is important. Expect to



experience some short term failures which can prepare your business for long term success.

9) Do your homework at home in Italy before you go to school in the U.S.

10) Hire and retain the best advisors for your business at the start.

Speaking from your own experience, what are some of the most common mistakes that companies can make in this regard?

I have nearly 46 years of experience in this area and I have experienced failures and I have had the pleasure of seeing enormous successes. Over confidence and a "know it all" mentality are the most dangerous mistakes. My comments above are the result of this experience.

Attendance to the "Italian Export Forum" is free-of-charge

January 27th 2020
from 4.00 pm to 6.15 pm

Please RSVP team@youritalianhub [2]

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