



Succeeding in Silicon Valley
A practical manual
For European multimedia companies

What is an Accelerator?

The **European Multimedia Accelerator in Silicon Valley** aims to stimulate the international development of the European multimedia industry by serving as a business catalyst and technology showcase within the vast, dynamic US marketplace. The Accelerator further provides a platform to stimulate co-operation between European and US multimedia companies in new business ventures. To achieve this, the Accelerator acts:

- ✂ as European **Outpost** on the US west-coast;
- ✂ as a promoter of state-of-the-art European multimedia content & technology in a "**Virtual Showcase**";
- ✂ as **Observatory** monitoring technological and market development in Silicon Valley;
- ✂ as **Facilitator** matching European companies with US partners;
- ✂ as **KnowledgeSpace** for both US and EU players;
- ✂ in providing start-up assistance with selected **Incubators**.

USA and Europe: two different business cultures

The differences between European and US business cultures, even though both continents are part of the Western industrial countries and in an age of globalisation, are bigger than commonly expected, and are often the main key-factor that prevents enterprises from reaching partnerships or good deals for both.

Awareness of cultural differences in ways of doing business, management and work styles, business behaviour and communications can make all the difference in whether a company is accepted and successful in other nations, and especially in the US.

Applying knowledge of cultural differences in work styles, management styles, leadership, decision making, team co-ordination and business communications significantly improves your chances to close successful deals with US counterparts.

In this presentation we give **quick but fundamental hints** on differences you could encounter in dealing with an American counterpart for what concerns:

1. **How to negotiate**
2. **How to prepare for formal meetings**
3. **Informal networking in Silicon Valley**
4. **Preparing your company presentation**
5. **Practical issues**

1. How to negotiate

In a meeting, the participants will proceed with business usually after some brief, preliminary "small talk" about topics unrelated to the business at hand. This is generally practised to ease tensions and create a comfortable environment before entering into business matters. Topics may range from sports, weather, or other smaller business topics. Personal matters should not be discussed during this time, or any time in the negotiation.

Usually, business is conducted at an extremely fast pace.

Regardless of the negotiator, company policy is always followed. Though they are risk-takers, American businesspeople will also have a financial plan which must be followed.

Americans regard negotiating as problem-solving through "give and take" based on respective strengths. Therefore, they will often emphasise their financial strength and/or position of power.

In negotiations, points are made by the accumulation of objective facts. This evidence is sometimes biased by faith in the ideologies of democracy, capitalism, and consumerism. The subjective feelings of the participants are not as much of a factor. Therefore, they will not spend much time seeking consensus.

Often, American businesspeople try to extract an oral agreement at the first meeting. However, U.S. salespeople sometimes bring final contracts to first meetings with prospective clients. In large firms, contracts under \$10,000 can often be approved by one middle manager in a single meeting.

The United States is the most litigious society in the world. There are lawyers who specialize in practically every industry and segment of society. Take this aspect in consideration in the eventuality you get to finalise a contract.

2. How to prepare for formal meetings

Here are some of the main characteristics of US entrepreneurs and managers in dealing with client/partners in one-on-one meetings:

Americans often know little of concepts such as "saving face" and the social niceties and formalities that are vitally important to other cultures.

The United States is a very ethnocentric culture, and so it is closed to most "outside" information. Thinking tends to be analytical, concepts are abstracted quickly, and the "universal" rule is preferred.

Regardless of the negotiator, company policy is always followed.

There are established rules for everything, and experts are relied upon at all levels.

American businesspeople are opportunistic and willing to take chances. Opportunism and risk taking often result in Americans going for the biggest possible slice of the business, 100 % if possible.

Outside of the meeting, Americans tend to be informal and insist on staying on a "first name basis." Nevertheless, it's important to understand the office hierarchy, and a visitor should learn the rank and titles of all members of the organisation.

American businesspeople can be very blunt and will not hesitate to disagree with you. This approach often causes embarrassment to business travellers who are unaccustomed to dealing with Americans.

Many people in the United States have a limited knowledge of cultures beyond their own country and its own diverse subcultures. Some Americans may assume that their way is the "correct" or only way.

Business culture can vary greatly from company to company, because of America's diversity. Learn as much about the business culture of your foreign associates before meeting with them through their website, marketing materials, and business literature.

The concept "time is money" is taken seriously in U.S. business culture. Businesspeople are used to making up their minds quickly and decisively. They value information that is straightforward and to the point.

In the U.S.A., money is a key priority and an issue that will be used to win most arguments. Status, protocol, and national honour play a smaller role.

Americans tend to dislike periods of silence during negotiations and in conversations, in general. They may continue to speak simply to avoid silence.

In general, people from the U.S. will not hesitate to answer "no." Businesspeople are direct and will not hesitate to disagree with you. This communication style often causes embarrassment to business travellers who are unaccustomed to dealing with Americans or direct communication in general.

Persistence is another characteristic you will frequently encounter in American businesspeople; there is a prevailing belief that there is always a solution. Moreover, they will explore all options when negotiations are at an impasse.

The United States tends to be an ethnocentric culture, so it is closed to a lot of "outside" information. Thinking tends to be analytical, concepts are abstracted quickly, and the "universal" rule is preferred.

In general, businesspeople in the U.S. tend to be informal and will use first names almost immediately.

Usually, business in the United States is conducted at an extremely fast pace. Business decisions in the U.S. tend to be made quickly. The sooner something is decided, the better. While in some countries it may take several meetings to bring negotiations to a satisfactory conclusion, Americans are used to making up their minds quickly and decisively.

There is a definite language used in corporate meetings.

Use sentences such as:

Let me be sure that I understood what you just said... If I heard you correctly... It seems to me... I think...

Bibliographical references for those who want to know more about the topic:

Breaking through Culture Shock: *what you need to succeed in international business*, edited by Elisabeth Marx, Brealey, Nicholas Publishing Ltd, 2001.

Business Leadership and Culture: *National Management Styles in the Global Economy*, edited by Bjorn Bjerke,, Elgar, Edward Publishing, Incorporated, 2000.

Both books are available on Amazon.com or Barnes & Noble.com

3. Informal networking in Silicon Valley

Many documents have been written about networking, however, this few key points attempt to answer the real concerns of international business men and women who have been here in the Silicon Valley for a short while and who have no grasp of networking techniques that were laid into the cradle of most US professionals.

Don't limit your networking to just groups similar to your profession, expand the search to related interest groups- that way you reach more people and groups who don't touch each other and will give you new contacts.

In Europe, we are used to being generalists and have not learned to present just the pertinent slice of our interests. **So, be precise.** This helps people you meet to focus on what you are actually looking for and they can also remember it better.

Always give examples.

Before attending the networking event, find out what kinds of people will attend and see if you can **gear your "elevator speech"** and your examples to their fields.

The most important thing is to **practice** what you are going to say, remember the old adage,--you can never repeat the first impression someone gets of you. You can tape yourself, you can practice with a friend and you can have someone video tape you. We know this often seems ridiculous in Europe, but the elevator pitch is a key element for success in Silicon Valley (see further on for more details). The main thing is that you do it and not become tongue-tied when someone asks you what you do, or what s/he can do for you.

"How do you start the conversation" You simply ask the question that comes the easiest in a networking event - "and what do you do?" And then listen carefully to what they do, so that you can find common interests and/or see if you happen to have something in your repertoire that might help or interest them.

So now you've talked and listened and you want to move to some new person, **but you don't know how to leave without being rude.** You have several ways to do it - first realize that most people you'll meet are there to network and to meet new people and make new connections. So, it is fairly easy to say that it has been great meeting them, that it was fun to talk to them and that you can get together at another time, but right now you should both move on to make other contacts.

You've met many people, and now you have at least 30 cards, **how do you keep track of all the information?** The first thing you do (before you get home) is to write comments on the cards about how people looked, what you talked about, the special interests or whatever it takes for you to remember them. Then you enter them into your special computer program - at least that is one possibility. I keep the cards together according to events and put them into a plastic business card folder in a 3 ring binder and make sure I review the cards and my notes before the next networking event where I will might the same people again.

For Europeans, the whole networking scene can initially seem 'phony' and self-directed, - a bunch of people collecting business cards - but this is where we don't understand the American mind set. **A networking environment which works and**

is successful is full of people who are open to new things and genuinely concerned with getting to know and benefit others.

The **elevator pitch** a key element of networking in Silicon Valley.

What is the elevator pitch? The point of an “elevator pitch” is to get your prospects interested enough in your company to get their card or refer you to someone else who might be.

The name derives from the fact this action should be delivered in the time an elevator gets you and a potential investor (usually a venture capital firm) or client to the floor you or your counterpart is stepping out (45-60 seconds)

7 simple rules on how to build your elevator pitch:

1. ***Be Concise:*** an elevator pitch is a clear, concise and well-practiced description of your company.
2. ***Solve a Problem:*** avoid sounding like a solution in search of a problem. Explain how your unique solution fills a “must have” need. If you aren't solving a problem or filling a need, you're in for a tough sell.
3. ***Tell Them What They Want to Hear:*** describe your product or service and its benefits succinctly. Depending on your audience, you may also have to:
 - ?define and size the market
 - ?explain how you're going to make money
 - ?tell who is behind the company and
 - ?frame the competitive landscape and your advantage in it.
4. ***Ask Qualifier Questions:*** to ensure that you're targeting the right person with the right message, ask a couple of questions.
5. ***Tailor Your Pitch to Your Audience:*** to investors, the pitch focuses on your team and how you plan to make money. To customers, your focus should be on the problem you can solve for them. Potential partners want to know what you're building, why it's important, and why you're going to be a success.
6. ***Show Your Passion:*** A good pitch makes your heart race. Show the fire in the belly and your passion to succeed.
7. ***Conclude With a Call to Action:*** always end your pitch with a call to action, but recognize that different audiences prompt different requests. You might ask friends and acquaintances if they know anyone who would be interested, anyone who's working on something similar, or anyone who's working in the investment world.

4. Preparing your company presentation

Company presentations for your products and services in the US have to respond to the expectations your potential business partners have and the average time that is dedicated to business meetings in this country.

US business men expect to receive a full overview of your company in a very short time (up to maximum 10 minutes, but often less), so these are the characteristics your company presentation (be it a Power Point or a Flash movie) should feature:

- ✍ Description of your company and products (5-6 slides)
- ✍ Strengths of your products in general and in relation to potential competitors (for example: technology used, price, etc.) (1-2 slides)
- ✍ Main goals you want to achieve in the US (for example finding technological or commercial partners for the distribution of your products) (1-2 slides)

✍ References: website and contact info (1 slide)

Overall you should be able to go through your presentation in 6-8 minutes. During the matchmaking event you could have more time at disposal, but during the informal networking people often don't dedicate you more than 4-5 minutes of their time (if they're interested then they will ask you more questions, but you must be able to provide them quickly with an overview of what your company is doing and what exactly it is looking for).

An informal networking event will give you the chance to meet dozens of people in a couple of hours, so it's important that with a brief presentation you are able to explain your needs and interest and the counterpart does the same.

In case you both see that there is no common ground to work on you can so proceed quickly to the next meeting.

The exchange of business cards is common practice at the end of each brief meeting. At the end of a networking event you could end up with up to 20 different cards, try always to sort them out and select those interesting for your business at the end of the day.

If your interest in one of the companies you met is real it is common practice in the US to send out a e-mail immediately the day after, renewing your interest. Don't let days or even weeks pass before you return your interest.

5. Practical issues

Insurance

All the health care for foreign citizens is provided by private hospitals in the US. Any kind of medical assistance could very easily add up to several thousands of dollars. We strongly suggest you to provide who's coming over with a medical care coverage insurance for the duration of your trip. Several European insurance companies provide this kind of coverage. Costs may vary in relation to the total amount of coverage they guarantee, but usually they shouldn't be above the 400 Euro for periods of maximum two weeks.

Laptops

Remember that the voltage in the United States is 110 volt. Check out that the converter supports both 110/220 volts systems (most of them do).

The sockets are also different in the U.S., to be able to plug in your laptop you should acquire an adaptor for the plug before coming over.

Mobiles

Only tri-band phones work in the US. To know if your mobile phone is able to make and/or receive phone calls in the US and to know what it will cost you, please check beforehand with the telecommunication provider you're using in your country.

Telephone

To make calls from public/hotel phones:

Inside the US dial: 1 – area code – phone number

Example: 1 – 408-3513419

Outside the US dial: 011- country code- area code (without zero) – phone number

Example: 011 - 32 - 2 - 5346572

Bibliography

Portal Sites, Gateways, links to other Sites, Cyber - Resources	
Check-in-USA.net	http://www.check-in-usa.net
European IT Associations in Silicon Valley	
Silicon French	http://www.siliconfrench.com
Silicon Vikings	http://www.siliconvikings.com
German American Business Association	http://www.gaba.ca.org
Danish Information System Professionals	http://www.disp.org/java-server/servlet/pg?tpl=index
General Sites	
Silicon Valley Association of Start-up Entrepreneurs	http://www.svase.org/
San Francisco Chamber of Commerce	http://www.sfchamber.com
San Jose/Silicon Valley Chamber of Commerce	http://www.sjchamber.com/
Visas for the US	www.usvisa.com
Venture Capital Overview	http://www.vfinance.com/
Multimedia Sector	
North Bay Multimedia Association	http://www.nbma.com/index.html
Commerce Net	http://www.commerce.net/
Internet Professional Publisher association	http://www.ippa.org/main.html
Software Development Forum	http://www.sdforum.org
Government Agencies	
California Government – business & commerce department	http://commerce.ca.gov
Technology department (part of the Department of Commerce)	http://www.ta.doc.gov/
Import Administration	http://ia.ita.doc.gov/
Books to read to understand Silicon Valley	
Understanding Silicon Valley – the anatomy of an entrepreneurial region, edited by Martin Kenney, Stanford University Books, 2000 - Price: 22.95\$	
The Silicon Valley Edge – a habitat for innovation and entrepreneurship, edited by Chong-Moon Lee, William F. Miller, Stanford Business Books, 2000 - Price: 19.95\$	
The New Thing – a Silicon Valley Story, edited by Michael Lewis, Penguin USA, 2001 - Price: 11.70\$	
Cloning Silicon Valley: Inside the World's High Tech Hot Spots , edited by David Rosenberg, Financial Times, 2001 - Price: 21.60\$	
A practical travel and business guide: Silicon Valley Handbook , edited by Martin Cheek, Avalon Travel Publishing, 2000 Price: 15.95\$	
We checked that all our recommended books are available on Barnes & Noble (www.barnesnoble.com) in the section "college textbooks".	