

SO YOU THINK YOU CAN SELL TO THE US AMERICANS?

By Lane Kingstone

It is well known that there are many political issues between Switzerland and the United States, which are causing frictions between our two nations. In spite of this fact, the USA remains and has been for some time the 2nd most important trading partner for Switzerland.

I am here to argue that in terms of sales and marketing efforts, there many misunderstandings between Swiss and Americans that have nothing to with political considerations – which get in the way of success for Swiss firms selling to American companies. It is my hope that this article will help Swiss companies to avoid some of these common errors.

Americans continue to perceive the Swiss in a VERY positive manner. Americans who do not work in the banking or finance fields are usually unaware of the pressures being exerted upon Switzerland and still have positive “stereotypical” images of Swiss people – neutrality, reliability, producing high precision products, along with the Alps, clean air and water (and of course the good cheese and cows as well). While the Swiss feature articles about bi-lateral issues constantly, mainstream American newspapers are rarely featuring stories on these themes.

It is extremely important that before you travel, you have a one to two page PDF document (compressed so it will not take up too much space in someone’s in box), which simply states;

- a) Who is Meier AG
- b) Why are we great (not good)
- c) What do you do better than your competitors
- d) Give specific sales arguments proving that you are better than competitors – taking into account that the US competitive arguments, can be very different than the ones you use in other markets. As Swiss products are typically more expensive - this has to include things like less down time, longer life of the machine, easier operation, etc. – to bring home the conclusion that you ARE NOT more expensive.**

* Regarding point “d” it has been my experience that sales arguments must be adapted specifically for the US market, as competitive factors seen as important by US purchasers can be quite different (our energy costs are lower, our legislative incentives are different, technicians using machines do not benefit from a “Lehre” system which exists in Switzerland and Germany etc.). This might require market research from your side, but **you MUST know these UPS’s and have them drilled in your head to be able to use them in a high stress situation that might be judged as confrontational by a Swiss.**

HOT LEADS WITH AN AMERICAN AND POTENTIAL PARTNERS

We invented marketing, so please keep this in mind when that consultant, distributor, partner or potential re-seller contacts you!

- 1) Americans make the greatest websites and you can look at some of them and think – wow these people are unbelievable! Keep in mind that the person contacting you could be sitting alone in his living room.
- 2) Respond kindly and with enthusiasm to first inquiries from anyone who appears to be able to sell for you of course.
- 3) See how they answer you.
- 4) If you have a good feeling make an appointment for a phone call.
- 5) During this call you should then ask the prospective distributor/ partner if he could send you in a future an email with two or three references of some other companies he represents or works with. REMEMBER – you want a company that sells COMPLEMENTARY but non-competing products. If he tells you he is selling beauty creams and you make machine tools, forget about him/her. I have worked many years as a Consultant and searched for distributors for my clients, **THERE IS SOMETHING WRONG WITH ANY POTENTIAL PARTNER OF ANY KIND WHO TELLS YOU HE CAN NOT GIVE ANY REFERENCES DUE TO CONFIDENTIALITY.** I have always been able to phone several clients, give the name of the company concerned and ask if this potential new client may contact them.
- 6) The best distributors DO NOT work on monthly retainers, but expect support from you. This could include things like;
 - a) They tell you that they do a trade show each year for two other companies they represent in your industry and would like you to pay 1/3rd of the cost.
 - b) They don't like your English language brochure (because they think it is in "British"). They offer to rework the English and you agree to pay printing costs. (Printing costs in the US are at least 35% cheaper by the way). Worst case you have an "Americanized" brochure can use in the future.
 - c) They might wish to organize some type of special "promotional" event, and in collaboration with you ask you to pay expenses for this.
 - d) The rule for this is – only give out money where you see a tangible result for your firm – if the points above seem excessive then please reconsider entering the US market.

- 7) Believe it or not good consultants do exist, and there are small consulting organizations, which can offer services to KMU's at prices they can afford. Unfortunately very few of those who are good at their jobs will work on a success fee basis (as I have heard Swiss companies ask for 100 times). The reason for this is that people who are good at what they do are not desperate to have clients. As with point six, if someone is good at their job and can easily provide references, (you do have to receive some guarantees about them being serious here as well). The best professional must guarantee he will do his job in a highly professional manner and he must be willing to **document** everything he does for you (who did he speak to who declined to represent you, what is his name, email and phone number for example).
- 8) If you are going to visit someone in the US who tells you he has tons of hot leads for you then ask him/her for what I call a "proof of love". At this point in the conversation, say - Gee John that sounds great, why don't we organize my trip so I can meet one or two of the key decision makers/ potential clients you are talking about.
- 9) I should not forget to mention direct sales to end-users. There are exceptions, but generally speaking this is an opportunistic way to sell to a company who will buy your product, but is not a strategy for growth. I have seen companies', which are in very special niches, and have discovered that there have only 20 possible customers for their product in the US. In such a case, a direct sales approach is possible.
- 10) In my career as a consultant I heard so often the request to find national distributors. This is with very few exceptions THE WRONG STRATEGY FOR A SWISS KMU. National distributors exist, and they can have hundreds or even thousands of products. The problem with this is that as a KMU (with limited power to invest in promotion of your product) you are lost and none of their sales people pay attention to you.
- 11) If you build up a network of smaller regional distributors who are selling a smaller range of products in your industry sector, they are hungrier to sell your product.
- 12) PLEASE DO NOT FORGET THE OBLIGATIONS, WHICH FALL UPON YOU TO MOTIVATE ANY BUSINESS PARTNERS YOU MAY HAVE IN THE UNITED STATES! You would be surprised to know the number of Swiss Export Managers who complain to me that their distributor or partner is not selling enough for him, but when I ask - When was the last time you visited him" - I hear that he wasn't even visited for two or three years!

I AM GOING TO THE USA; – GREAT, FANTASTIC, WONDERFUL
Basic Behavior – Do's and Dont's

- 1) We are famous and often criticized as well for being very chatty, open, easy to approach (also known as highly superficial) by Europeans. Whether you choose my words or my parenthesis, this is the way it is.
- 2) I don't think I ever heard an American when asked how a party was NOT say "great" – or It was "sooo" much fun, etc. Here in Switzerland people are much more understated. Try to use the same positive tone. You are not being fake – you are blending in. If you stay like a "real" Swiss, people might think you are an unhappy person, and only happy, outgoing people are good salesmen.
- 3) As in any country a good start is to say something positive about the city you are visiting and how beautiful X or Y seems to you. Even as a US American, I have not been in every city, and I usually Google the town or region I am visiting and look for some interesting landmarks, natural wonders or historical facts that someone who is from that region would typically be proud of. Saying that you have vacationed in the US is great plus.
- 4) In Switzerland it is not considered impolite to say to someone "oh, your name is Mr. Morukian is that an Armenian name?". I have heard Swiss do this type of thing in the US on countless occasions. In such a situation in the US you have three possible outcomes with your customer;
 - a) The gentleman you are talking to will think you are implying he is somehow less American than someone named John Smith, and he will become insulted. He will either say nothing or get upset in front of you.
 - b) The gentleman you are talking to will get very upset about the genocide of the Turks against the Armenians and will get in a very bad mood.
 - c) The gentleman will with great pride tell you his family were rich merchants, their history, and how they immigrated to the USA.

LESSON – DON'T ASK ANYONE ABOUT THEIR NATIONAL ORIGIN, EVEN IF THEIR NAME IS LESS EXOTIC, OF ITALIAN OR SPANISH ORIGIN OR EVEN IF THEIR NAME IS SMITH! Many Americans are indeed proud of their origin, but let them be the one to bring it up – a lot of them indeed will!
- 5) The same applies to someone you meet who might be speaking to you with an accent. To be safe NEVER ask these people where they come from. They may have a US passport for many years, and take this as an implication that you are questioning their "level of Americanism"
- 6) NEVER, I MEAN NEVER CRITICIZE ANYTHING ABOUT THE USA! We are very patriotic people, and even some of us who are not so patriotic do not accept that a foreigner dares to criticize our country. In business and social situations, if you criticize something about the US, be prepared to hear someone possibly tell you you – "If you don't like it here then why don't you just go back where you came from!"

YOU ARE VISITING THE CUSTOMER

EVEN IF YOU HAVE A NETWORK OF DISTRIBUTORS, AGENTS, PARTNERS AND OR RESELLERS YOU WILL DEFINITELY HAVE TO BE IN FRONT OF IMPORTANT CLIENTS (END PURCHASERS) OFTEN. This is particularly true with so many Swiss companies which are involved with precision components, high tech machines and / or measuring equipment / software and IT solutions, and is also valid for luxury goods and services. Many customers in all types of technical fields may at some point ask for modifications specific to them, and only the experts based in Switzerland are competent to address these kinds of issues.

Additionally, on a psychological level, Americans are more sensitive to having personal contacts than the Swiss, and key customers must be visited regularly.

A number of Swiss firms also will get a direct "hot lead" with an important potential client, who requires being visited.

My advice for your sales pitch and preparation for some different scenarios;

- 1) There is typically a bit of "chatting" as in Europe, such as "how was your trip", your chance to compliment your American counterpart about his city or region, and add into the conversation if you have visited with your family, and of course how lovely you find the USA.
- 2) A major difference between European and US sales presentations is that the European will almost always let you make the sales presentation and then ask the cost. Some Americans ask the price before letting you make your sales presentation, so keep this in mind!
- 3) In an Ideal situation after some small talk you would be to be in a position to make a power point sales presentation. My recommendation – NEVER more than 15 – 20 minutes – use images as well as text, and DO NOT read from the text but prepare things to say relevant to the slide. If you just read the text on your slide the client will stop paying attention to you. Tell the customer that your presentation should be a dialogue, and he should feel free to stop you at any time for clarifications. If possible, do not stand frozen by the screen but move a bit about the room, which is a sign that you are relaxed and confident. Ask your customer one or two questions during the presentation inquiring "I think this point especially applies directly to you, isn't that the case". It will get him to loosen up and hopefully get him to tell you more about his needs. This obviously requires research from your side before each meeting about the company you will visit.
- 4) Americans will typically ask casually that you tell them something (very brief) about your company before you even get started). As Swiss modesty is so engrained in your mind you might say, "we have a good company, and we try our best". John is going to be thinking "good?" I don't work with good companies I work with great, fantastic, state of the art companies – who is this guy anyway?

- 5) Tell him about your certifications, have you won any awards? If you are allowed to drop names of a few prestigious companies you work with John will know, tell him! John will be thinking, "If they're good enough to work for them, they're good enough to work with us". "We are state of the art", and smile and sound convincing when doing so.
- 6) If as mentioned in point two, if your customer brings up price at the beginning of the meeting, or before you had a chance to explain its advantages, **here is where your USP sheet is CRUCIAL. Do not be seen as running away from the fact you are more expensive but embrace the issue** up front. You should reply..... **"John, I'm really glad you asked this question.** You can then pull out now the one or two-page pdf (easy to understand document) I suggested earlier in this article, and say "John, my machine is 20% more expensive - and they are worth every penny". John I can prove to you that you will get a return on this higher investment in 18 months, and you know what? My machine works faster, you will have less down time, and is far easier to maintain than my competitors. Let's have a look together at this sheet. After those 18 months you will be saving in a range of X to Y% per month than if you bought from my competitor.
- 7) John might start thinking, "gee - I might be able to be a hero to my boss - even if they are more expensive.
- 8) **USE YOUR SWISSNESS!** - So many of my customers continue to ask if Swissness is still a selling point in the US - IT IS. The key values Americans think of is; reliability, security, high technology, neutrality, clean air, Alps, and the Swiss Cross - but they may think they can't afford it.
- 9) For those of you reading this, which are not highly confident about your English skills, **DO NOT WORRY.** First of all, Americans find European accents charming. All they care about is that they can understand what you are trying to explain.
- 10) In Switzerland people are very reluctant to give any type of "promise" or even indication that a modification to an existing product is possible. We Americans are optimists and always think we can achieve everything. I have seen **MANY** cases where a US customer asks "Hans could you add a blue button here on top, and a green one there on the bottom and then move the conveyor belt 2 inches to the left if we guarantee enough quantity"? The typical Swiss gets nervous and says right away "I'm not sure we can do that, and I have to check". This is perceived as negativity by the American Customer - You must show a "can do" attitude. Your answer should be "John - my company always does everything possible to accommodate and satisfy it's customers, and the first thing I will do when I get back to Switzerland is look into this, and come back to you". Even if you have doubts that the customer request is feasible, An American sees this as your positive attitude. You **ARE NOT** losing face if you have to send an email later explaining, "After working very hard on your variation I regret that we cannot accommodate this request".
- 11) After seeing a customer a follow up mail thanking him **MUST be sent within 24 hours** of the meeting. Not doing so would be perceived as a lack of enthusiasm from your side in doing business.

- 12) Americans are people who want everything either yesterday or this minute. If you plan to do business with Americans you MUST be prepared to answer ALL email inquiries – be it from direct purchasers, distributors, agents, whoever – in 24-36 hours. We do not understand that people have 4-6 week vacations, and are hungry all the time for business. If you are in China at a trade fair, send a mail thanking the person for his inquiry and indicate when you can get back to him in detail. If you do not feel comfortable giving an assistant or colleague access to your email account, instruct EACH and EVERY American business contact that you travel a great deal and find yourself in situations where you do not have easy access to email. Then indicate to them that they should always copy in your colleague “Hans” on all correspondence, who can find you with a request should you not be checking your mails every day. Additionally, this persons’ name and contact information message should also appear on your Abwesenheitshotiz.
- 13) Finally, as stated previously, we are more relationship oriented than Swiss, so you might get more invitations to dinner, as opposed to the more common Lunch invitations in Switzerland. In the Midwest (more than in other parts of the country) you could even be invited to someone’s home for dinner with the wife and family. You should make every possible effort to accept these invitations. If your product is slightly more expensive and offers the same functionalities, a purchasing manager has the discretion in many cases to say to his boss that he feels that the Swiss company is more reliable, and he has some concerns about the reliability of the German competitor.

WHILE THE FRANK IS VERY HIGH RIGHT NOW – US EXPORTS ARE AT THEIR HIGHEST LEVELS IN DECADES, AND MANY FACTORIES ARE NOW WORKING TWO TO THREE SHIFTS. WHILE I AM NOT AN ECONOMIST, I BELIEVE THE US GOVERNMENT WANTS TO KEEP THE VALUE OF THE DOLLAR LOW SO THAT OUR TRADE DEFICIT LOOKS BETTER. Swiss Companies have technologies that American companies need to keep their high tech products at the best possible level.

MY MESSAGE TO YOU IS - THERE ARE STILL GREAT OPPORTUNITIES FOR YOU IN THE USA!!!

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