**Doris**: Hello, and welcome to today’s podcast. I’m Doris Nagel, CEO of Globalocity, consultants helping companies successfully improve their indirect distribution channel sales. We bring a combined nearly 100 years’ hands on experience helping with market entry strategy, legal and compliance issues, and strategic selection and management of distributors, sales agents, OEMs, wholesalers, and other indirect distribution channels.

We’re delighted to have Sophie Lechner with us today as our guest to give us her perspectives about finding and using partners when expanding overseas – particularly focusing on helping non-U.S. companies find great partners when building their businesses in the U.S.

Sophie’s in a unique position to talk about some of these issues, she was born in Pakistan, raised in France, and her parents French and Pakistani, so she learned early some of the challenges of cross-cultural communication.

Sophie began her career as in-house legal counsel for Bouygues, then British Petroleum in France. After completing her MBA she joined Pfizer in New York where she led teams and projects across many countries, managed professional education for several billion-dollar global brands and pioneered the role of Alliance Manager. She later joined Bayer where she led multinational conferences and workshops for physicians and researchers.

After 25 years in global strategy on multicultural teams, Sophie founded Global Commerce Education, creating the G2 Experience program to accelerate companies’ global expansion. The intensive six-day full immersion in the target market offers business leaders strategic guidance, cultural and communication training, and targeted networking to meet experts, vetted service providers and potential customers.

Sophie is a certified cross-cultural trainer and speaks in the U,S, and abroad at workshops, conferences and webinars.

She has a Bachelor’s of Law from King’s College in London, a Maîtrise de Droit and a DESS from Université de Paris I – Panthéon Sorbonne, and a Master’s in Business Administration (MBA) from Columbia University in New York.

Sophie, I’m so glad to have the chance to chat with you today. Thanks for being with us.

***Sophie****: Thank you, Doris. It’s a pleasure, and I really look forward to our chat.*

**Doris**: I think the natural place to start is to tell our listeners a little bit about your business model, and how you came to that model, and how you use partnerships.

***Sophie****: Actually, partnership is at the core of our model. Without that, there is no program. We found that companies that want to enter the U.S. market – and this is actually true of any new market entry – but we focus on companies coming to the U.S. -- are usually overwhelmed with the amount of information that they need to know, and they don’t know where to turn or ask for help. We created this program – it’s almost like a funnel – to guide them in their market entry, to help them figure out what they need to know, because at any given point, they need specific types of information, so we guide them in terms of strategy, cross-cultural training, and meeting the right people. So our entire model rests on our very broad network of professionals in a variety of different fields, and we basically curate the faculty for each client group based on what they need.*

**Doris**: Interesting. I know partnering is fundamental, and those of us who’ve done business internationally I think intuitively understand that you need effective partnerships. But maybe you can elaborate for people who are new to international expansion why having some of these people at your fingertips is so important.

***Sophie****: This is important on many levels. The first thing that comes to mind is that you’re going to need a number of specialists, professionals, service providers. So, everybody knows you’re going to need a lawyer, particularly if you’re planning to set up a legal entity here. Depending on your industry, you may need some regulatory specialists. You’re definitely going to need some marketing help and advertising or promotional help – branding for sure – so for all of these, you’re going to need a specialist. And the issue is, for every speciality, there are dozens, hundreds, sometimes even thousands of these service providers, and how to choose is really difficult.*

**Doris**: I’m sure that’s right. Some will probably tell you they can everything, and maybe they can or can’t, some will tell you they can do some things, but not others, so putting together the patchwork of experts that you need I’d imagine is a real challenge for many companies.

***Sophie****: Yes, and also, we find that companies often select a provider just based on either a recommendation from someone – which is obviously an important way to find advisors and make connections – but they don’t necessarily look into whether that provider is a good fit for THEM. They may be a good fit for whatever friend or colleague recommended them, but they may not be a good fit for you. There’s size, experience, there’s language, there’s all kinds of criteria.*

**Doris**: And I’m sure there’s the issue – this may be true to a greater or lesser extent depending on the culture and country you’re expanding into – but I’m thinking of consultants here in the U.S. who are hungry for business. Most people here in the U.S. who are service providers and a client asks them if they can help with something, their answer is always will be, “Yes, of course I can help you with that.” And they may have absolutely no experience whatsoever, but they figure having some business and figuring out as they go is better than saying “no.”

***Sophie****: Well, that’s true – we always say that you’re a good entrepreneur when you find a way to say “yes” when the client asks you to do something. So, not to fault them. But as a buyer coming into the U.S. for the first time, you really need to do your due diligence. The first level of due diligence is really basic – are they are real company? Do they have a good reputation? But then it’s really figuring out the right questions to ask – how to assess them to make sure they are exactly what you need. So those are some of the things we do. We’re not consultants – I would really describe us more as a training and capacity-building program. So, for example, when a company needs a lawyer, we’ll find a number of different lawyers who might be a good fit that they can choose from, but we also teach them about the criteria we used to find the short list and help teach the clients how to select for a good fit and make good choices.*

**Doris**: I know you help match companies with advisors, so in a way you’re a matchmaking pro as well, but if I understand correctly, you’ll put together a short list of say, lawyers or tax advisors, you might present a list of recommended partners – if that right?

***Sophie****: It is and it isn’t, Doris. This is actually a program that we offer that companies come on. So we know from working with them a bit in advance what they’re likely to need in terms of which types of services and skills. We organize events where there might be a couple of lawyers, and perhaps a couple of their clients and we’ll have a panel discussion to share experiences. And I forgot to mention that we really work with groups of companies, so we don’t really work one-on-one with companies, but with a group of companies. So, we would then ask the lawyers to cover some key differences, the pitfalls that the clients really need to be aware of and avoid. And then we have the clients of those lawyers talk about some of their experiences – things that went wrong when they first started, or tips that they got from their advisors that they were grateful for. So, in that sense, yes, we do a pre-selection, but we just don’t give them a list of lawyers.*

**Doris**: How to go about finding that short list of partners? What are you looking for?

***Sophie****: Well as I said, we have a very broad and very deep network, and so if we don’t find the right kind of lawyer… well, I keep picking on lawyers…*

**Doris**: Well, if you come to the U.S., unfortunately, you do need lawyers – that’s probably a sobering reality for companies that come here.

***Sophie****: That’s true. But if we don’t find the right individual or company we need from our immediate network, it’s easy to find other recommendations from that extended network. But the point is that we are quite selective in the professionals we bring in. First, they need to have – and if they don’t have it, it’s a non-starter -- in-depth experience in the country where the group of companies is coming from. Because otherwise, you are juxtaposing someone from one system with someone from another, and you can have a good exchange of information, but a lot will be lost along the way because the professional presenting is not going to know what the assumptions are that are in the clients’ minds. And maybe the clients aren’t even aware of or can’t articulate those assumptions. Both of them don’t know what they don’t know in that situation. Conversely, if the professional has worked in that country, or is from that country, or has a lot of clients already from that country, they’ll have much better insights into the kinds of assumptions and misconceptions that companies from that country or culture are likely to have. So, that’s critical. And then of course, there’s professional competence, but also people that have a mentality of helping and educating. Some people are really oriented by nature to just do the business and on just providing the answers to questions asked. But some people – quite a few, really, thankfully for us – are really very sharing and education-oriented. It’s amazing how many professional have a sharing mentality and really enjoy the experience of teaching – they don’t just say, OK, give me the project and I’ll do it and you’ll pay me. We interview these people – well, we don’t call it an interview – but we have conversations, and some people we just don’t think are a good fit if they don’t have that outlook.*

**Doris**: You mention the helping mentality. For us, as a partnering company, we believe it’s really important to consider both perspectives. And I mean truly trying to walk a mile in the other company’s shoes in order to really be a good partner. And it seems to me that that’s what you’re talking about here -- looking for people who really want to be a partner and not just outsourced vendor for a client -- is that fair?

***Sophie****: That’s true. It needs to be beyond the boundaries of the transaction. If you’re from the U.S., you can be more transactional. If you want to buy a house, you know you need a real estate lawyer because you know exactly what you need. But if you’re coming from abroad, there’s this huge layer of complexity that requires you to have to learn more about how things are done and what you really need to do. So that’s where they need help.*

**Doris**: I think one of the things that’s really important about any international expansion is that companies don’t realize that very small changes in their facts or how they’re planning to do something can totally change the answer. They might trigger income tax or incur VAT tax that they’re not expecting. So, if you don’t know where these boundaries are, companies think and say that they’re going to do this and that, but if you start digging, there are other things that they’re doing that are interconnected and might totally change the financial outcome of what they’re planning.

***Sophie****: Yes. Actually, I have a good example of that. We met a young woman in the U.K. with a food company. She came to the U.S. and organized a number of meetings and activities for herself. She had contacted a number of food distributors here in the U.S., because food distributors are who she deals with at home in the U.K. – they’re the ones who promote and sell her products to retailers, and that was what she needed. She explained what she had set up, but we felt really bad for her, because she had set a lot of meetings who were not at all the people she needed to talk to. Even though the term “distributor” was the same, and her native language was English like ours, she made a set of assumptions that the role of the distributor here in the U.S. was the same as it meant in the U.K., which was not the case at all, and so she had basically wasted a lot of her time setting up a lot of meetings with the wrong people. Such a small thing that we could have helped with, but it happens.*

**Doris**: So, you find some good partners for your clients for the issues they’re dealing with, and you make introductions to these companies. How do you advise the clients on to find the best fit for them? How do you help them decide if law firm A or B or C is really the best fit for them?

***Sophie****: Well, I think that that is where the panel discussions help, and then we also organize a number of networking events that we set up so that they have an array of choices. We really believe this is where the trade missions and other organizations that purport to help companies in this situation really do them a dis-service – they give one or two names, and just say, “call these people.” But in real life, when you do business in your own country, that’s not how you do business – you just take one name and go. You meet all different types of lawyers and talk to different people, and ask different people for their advice, and you choose based on all this input. And so in our program, we try to replicate that as best we can. So that’s for the setting. For the criteria, as I said before, we share with the participants how we selected the providers, and they are already pre-screened and well-suited to help them. So then, they just need to talk to them and determine the chemistry and decide who they “click” the best with, but they don’t have to worry about all the other normal due diligence.*

**Doris**: What advice do you give your clients on how to manage these partners? Because it seems to me, having worked with a lot of outsourced vendors, and this is true with our own channel management program in working with distributors, the first step is finding a good partner. But then, how you manage them and communicate with them and evolve the relationship is just as important as finding the right partners. How do you help clients with that?

***Sophie****: Well, the first part of our program is a two-day workshop in the home country where we cover issues of strategy and other issues. But we dedicate a whole day to cross-cultural understanding and cross-cultural training. We ask each participant to fill out a questionnaire that gives us some insights into how they approach cultural differences, and what kind of cross-cultural profile they have. And then we do the training. It’s not specifically focused on how to manage vendors, but how to help them communicate more effectively with everyone they’ll deal with in the U.S. How do they present their information, how do they interact, how do they react to requests. Those are all different outcomes, but we help them understand the cultural underpinnings and how that can affect their communications. That helps them understands all the requests that are made of them, so they can respond in a culturally appropriate fashion.*

**Doris**: It’s interesting. I know your company focused on inter-cultural training, but it seems to me that many of the same skills that help people be effective across cultures are very similar to those that help them be successful partners. Do you see a similarity as well?

***Sophie****: Yes, because when we talk about cross-cultural training and cross-cultural differences, we’re usually referring to different national cultures. But defining people and their culture by their nationality is only one dimension of their culture, but only one among many dimensions. So there’s people from different regions that have difficult cultures – people from different departments – well, that’s the French term – but states in the U.S. People from the northern U.S. are very different from the southern U.S. And then if you look further, there are different cultures between companies, and even between departments within the same company, there are different cultures.*

*I wrote an article about this topic – the idea was that there really, truly is only a culture of one. Everyone has their own unique culture. All of the trainings are basically taking groups of people and looking at general trends of types of behavior that basically come from historical events and how the country evolved. For example, you look at the U.S. – there’s a very independent, individualistic, entrepreneurial mentality, but it’s all from history – it was populated by people who left Europe and other places because they wanted to do things differently than they did in the country they came from.*

**Doris**: I agree with that. And it occurs to me that there is a real similarity to partnering effectively and helping people be successful across cultures are both about finding a common language and a common set of processes, a common permission, if you will, to raise issues and constructively resolve conflict. Because I don’t care how good you are at finding good partners of any kind, or even how successful at managing those relationships, eventually there will be conflicts. And how you manage those conflicts is a real acid test of the success of the relationship. And I think that’s true, whether you’re talking about dealing across cultures – national cultures, corporate cultures, interpersonal cultures, you have to be able to resolve conflicts effectively, so I see that as a real similarity.

***Sophie****: Exactly. When you come down to it, everything in life is really about partnerships. Whether it’s husband and wife, friends, business colleagues, it’s all partnerships. It’s about communicating effectively and constructively, listening each other, and exactly as you said, it’s about how to effectively resolve conflicts. It’s even more than a similarity – I think it’s all the same thing.*

**Doris**: So maybe it’s really just two sides of the same issue. Any last words of advice or final thoughts for our listeners about how to effectively to do business in the U.S. -- anyone who might be thinking about coming to the U.S., or maybe are here and are struggling?

***Sophie****: Well, first I want to say that I’m amazed that we’re at the end of our time already. I guess it’s because I enjoy so much talking about this topic and I’m very passionate about it. I think a lot of companies that come to the U.S. specifically think that this is a big country and they have this misconception that they’ll come here and just get a little piece of such a big market and they’ll be happy, but that’s really not the way to look at it. U.S. consumers have become – I don’t want to say sophisticated – but maybe the better word is very demanding of very personalized products and services. The whole concept of finding a niche is really, really essential, and along with that, targeting a small piece of the U.S. is really important. It might be just a single state or even a city depending on your product, and within that, even segment from there perhaps to a particular demographic. That often doesn’t make sense to a lot of people who first come here. They think, “it’s such a huge country – why would I just target such a little piece?”*

**Doris**: You know, that’s an interesting observation, but it squares with what we’ve seen with our own clients and potential clients. Some of them have already been very successful in lots of markets. They’ve found a good distributor in the country, and they get a toehold, and then build from there. And they come to the U.S. and think they will do just the same. We’ll just find our distributor, and get a toehold, and grow from there. It’s a challenge to articulate to them just how different it is here in the U.S.

***Sophie****: Yes, it definitely can be a challenge.*

**Doris**: Any other final observations or thoughts?

*Sophie: I think something to consider is that expanding internationally is an adventure. If you’re not in the mindset that it will be fun and interesting, You need to balance that There ARE a lot of frustrations. You need to have, or you will not do well. But if you have that mentality, you’ll enjoy every minute of it. And the fact that it will take you three times as long as you originally thought, but*

**Doris:** That’s great advice – I think it’s great advice for anyone looking to expand internationally. I want to thank you again for being with us today and sharing your thoughts.

***Sophie****: Thank you – it was a fun chat.*

**Doris**: We’ll obviously watch the evolution of Global Commerce Education and the G2Experience with interest.

And by the way, if any listeners want to get in contact with Sophie, her email is Slechner@g2ee.com.

That’s a wrap for today. I hope you’ve enjoyed our podcast about some of the challenges of building a business in the U.S. and the need for partnering to effectively enter the U.S. market and grow there.

You can listen to interviews with our many other guests by subscribing to our podcasts on iTunes, on Speakific, or on our website at <http://www.globalocityservices.com>

Thanks again for listening.