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USA Reloaded – Seizing the Hidden Potential!

By Immanuel Otterski



“Many German companies still overlook the opportunities available to them in the United States.”

Gerd W. Kichniawy,
founder and CEO of gatc LP.

The USA is the world's largest economy. Despite the recent economic downturn, it still hasn't lost its appeal for foreign business. On the contrary – a stable currency, lean production methods, a reliable legal system and a huge buyer's market have been making it more attractive than ever for the “German Mittelstand” companies. And it's still growing!

Meanwhile more than 3,500 German companies are now actively conducting business in the U.S. market, including of course reputable powerhouses in the automotive, chemical, pharmaceutical, medical, green energy and engineering industry, such as Volkswagen, Siemens and Bayer. However, it is primarily the German mid-sized companies that have been in the spotlight lately, not only recognizing but also realizing the tremendous market potential and seizing the opportunities. Many of them have managed to better adapt to the market rather than trying to copy their European business model. The growing demand for new infrastructure such as roads, electricity and health care reinforces this commitment.

The U.S. market has proven itself as a dynamic and reliable growth region for German companies. The conditions here to make profits are consistently good including the outlook for the coming years.

However...

“Many German companies still overlook the opportunities available to them in the United States. They still rather focus on Asia, especially China and India, in the belief to make everlasting profits there – a misapprehension, considering the U.S. market in comparison”, says Gerd W. Kichniawy, founder and CEO of gatc LP.

With his company in Atlanta, GA, he helps and supports European companies to establish themselves and grow their business in the North American market, but also assists foreign subsidiaries that face some ‘roadblocks’. With 30 years of experience, he knows the ‘rules of the game’, the enormous market potential, and especially what it takes to succeed in the country of unlimited opportunities.

Obviously a company can also commit costly mistakes during a market entry without knowing existing market and cultural conditions. A European concept and a good business idea or product alone is not a guarantee for instant success, warns Gerd W. Kichniawy. It is often the misperception and underestimation of this diverse market.

Thus, the step across the Atlantic for the “newcomer” should not be taken too lightly, as many companies still believe. Too many German firms fail in their first attempt and fall behind



other European subsidiaries in respect to the commercial success. The reasons are numerous and repetitive:

Underestimations of the vast cultural differences, lack of knowledge in the American legal system or contractual carelessness are only a few examples. Often, foreign companies already despair in geographical conditions and their logistical challenges. They often underestimate that marketing is a key factor for success in the U.S.

A German company, however not only needs to adequately invest into a powerful marketing concept, but into excellent customer service as well. Unlike the general perception, the U.S. customer deems service more important than quality or price.

The U.S. market certainly offers many opportunities for short as well as long term success. However, it also holds many dangers and obstacles that may prevent success.

“Only if you are properly prepared for the market, you can control it. Whoever utilizes knowhow, has already taken the first hurdle”, says Gerd W. Kichniawy. ■

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