

# Top 10 Things Kiwi Companies Need To Do When Coming To Silicon Valley

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*Martin McKendry and David Russell are Kiwi expats who have been working in the technology industry in Silicon Valley for over 20 years. Through working at companies like Siebel, Avaya, Cisco, and Google they have deep experience in startups, growth, acquisitions and divestitures: they know how the valley works. Spending careers in the US has turned them into Americans. But as Kiwis, they still have some idea of how Kiwis work. For the past year, they have been working on connecting Kiwi companies with the valley.*

*Martin and David wrote this article to illustrate the role that expats can play in helping Kiwi companies entering new markets.*

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In the past year, we have talked to hundreds of Kiwis in New Zealand and Silicon Valley about creating more value in the connection between these two business locations. We have consulted with Kiwi companies and we have made dozens of introductions. We've seen some things go right, some things go wrong, and a lot of missed connections. This article is directed at Kiwi companies preparing for arrival in Silicon Valley, and is intended to help you prepare for the cultural adjustments that are needed to achieve success.

## The Mindspace

Let's grant that your product probably works. You've sold it in New Zealand and you have a few customers offshore. Now you are ready to jump overseas and establish a solid presence there. Where you go is a big issue. Since this article is about Silicon Valley, we will assume you've done your analysis and you have decided to come here.

The first question to ask is, "Am I ready to go to the US?" If you are not ready, you will waste your time and your investors' money. To be ready, you have to have something unique to offer. It has to be positioned for presentation to the US market and you have to be ready to deal with a culture that is completely different from the New Zealand market.

Too often, we talk to Kiwi companies that are looking to Silicon Valley for sales but don't plan to build long-term relationships. Come to the valley only if you are prepared to build connections and the relationships you need in order to position your products and services over time.

Having made the decision to come, you need to put on your Zen hat and prepare to be one with the market. People from all over the world come to the valley. Being foreign is normal here: we all came from someplace else, and being from New Zealand is nothing special. What people in the valley want to know is, what can you do for us? In coming here, your job is to answer that question.

When you arrive, you need to remember that you are in a different culture. If you remember nothing else about this article, remember this:

*Americans do not speak the same language as Kiwis.*

Watching a few Oprah and Ellen reruns is not enough for understanding a culture! Americans use a lot of the same words as Kiwis do, but the words mean different things and the assumptions that underlie the words are radically different. Americans are very, very different from Kiwis. If you are not careful, things you say and do will cause Americans to make inferences you never expected. Even the timing of an email response can trigger thoughts about your reliability.

To understand the culture of Silicon Valley, make a point of getting to know us. Compared with Kiwis we are uptight, overworking, abrupt, and not much fun. If you want to fit in here, you have to be like that too. We work constantly and we expect others will. If we want fun, we work some more. Or sleep. That's why most valley restaurants are empty by 9 pm. In those that are still open, people are talking about the latest iOS release, Pinterest's growth rate, Netflix pricing, or algorithms for massive data analysis. We like what we do, and we see effort as a commitment to business. We want our business partners to be committed like we are.

Now that you have a rough idea of how to fit in, here are the top 10 things you can do to prepare for entry and engagement in Silicon Valley. As you read this, remember that the tips and anecdotes grew from real things that involved real Kiwis here in the valley<sup>1</sup>. In many ways, what we are telling you

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<sup>1</sup> We added one or two that involved Australians. Most Americans can't tell the difference anyway!

seems very basic. But we are hearing continuously about communications breakdowns that occur from these issues. So follow our Top 10 list, and you can avoid having your company fail to engage.

## **Align Your Company**

Before launching in the US, you have to align your company to the US market. Remember, you decided to come into our market: you have to fit to us. You have to know how we see you, and you have to provide value in our eyes. There is no way to avoid traveling to the US and holding frequent meetings with people in the market.

The good news is that today you are who the web says you are. Make this a strong positive, by adapting your positioning and web presence as you understand the market. You can change your product later.

- 1. Create Positioning to fit the market:** Positioning is the identity you create in the mind of the target market. It is NOT the set of features you are selling. Positioning encompasses everything about your company: product, company, people, and target customers are all part of your positioning. In New Zealand it might work to have the best feature set. Once you come to the US, you will have to shift your positioning to reflect the alternatives in this market. Your product might not even be a big factor in your positioning: in the US market, your product might just be a core that motivates services. The market tells you what you have to be.

*Tip: Think about your unique advantages . Anyone can build features. But with a team in New Zealand, you have unique advantages in timezone, language, and cost structure. For example, you could be the customer-friendly competitor. By emphasizing your customer service, you can position yourself uniquely relative to Indian, European, or US competitors.*

*If you don't know what makes you unique, you are not ready to come.*

Your positioning must be relevant to the businesses of the people you want to meet. But it might not be exactly what they are doing today: it might extend a current business model. That's OK. In the valley, everyone is looking for an edge and business models change constantly.

- 2. Fit your Collateral and Web Presence to your positioning:** As soon as you start getting introductions, Americans are going to start looking at your web site. Nothing says parochial like brash colors in a sparse website. Parochial means fragile, and nobody in the US wants to deal with a fragile company. Before you come here, make sure that your web presence is solid and aligns to the market. Many successful companies that come into the US have their web presence constructed in the US, so it is totally adapted to the market and the positioning in the

market. Everything is important: colors, fonts, layout, terminology and phrasing all determine your web presence and must reflect your positioning.

*Tip: Winning the West Eketahuna prize for application design is probably not a big factor in selling to a US partner. Americans do care about the customers you have in the United States though.*

## **Align Your Communications**

For much of our business lives, our personality is determined by how we behave online. Before you launch any market initiative in the US, you are going to be setting up meetings and communicating with Americans. You need to align with how Americans communicate.

- 3. Learn the Culture of Communications.** In the US, in business-to-business technology areas we use email a lot. Chatter use is increasing. Social networking companies use Skype, Facebook, and Twitter more. We do not usually use text messaging for business communications, although we will exchange cell phone numbers prior to meeting at an offsite location. Find out how your partners work, and adapt to their style.

Whatever style works for your partners, we expect confirmations at many levels. If you schedule a meeting more than a week in advance, we expect you to reconfirm within 48 hours of the meeting. If we send you an email, we expect you to respond within hours. If you can't do what is needed of you (e.g. scan a contract and return it today), we expect an immediate response to our email confirming that a) you got the email, and b) when you can do the work. After that, we expect you to follow through and confirm when you complete the work, and we expect you to tell us if you are having a problem delivering.

*Tip: You get to change the rules when you are successful. Nobody tells Mark Zuckerberg how to behave online. Until you are successful, follow everyone else.*

- 4. Be available:** Americans don't care that it is Saturday in New Zealand. It's Friday here, and we are probably working through the weekend anyway. 60 hour weeks are normal weeks in the valley. 80 hours is tough. 40 hours is part-time work. We assume you are working like we do.

*Tip: Acceptable reasons to go 'off the grid' include births and deaths, tornadoes, earthquakes, or climbing Mount Kilimanjaro (but only if there is no cell signal). They do not include birthdays, Waitangi Day, dying goldfish, or new brakes for your car.*

## Prepare to Meet

There is no substitute for face-to-face meetings. Plan to make multiple trips to the US in order to adapt your company and products to the market. For you personally, you will be expected to adapt to the culture you are entering, just as all prior arrivals in the valley have done.

- 5. Study who you are meeting: they are studying you.** Silicon Valley companies have their own pecking orders that are subtle and can be confusing. At the top of the heap are founders. A founder may not be the CEO, or even a VP, but they hold a special status.

*Tip: If you are the founder of your company, you can collect some of this respect too. But not if you are also head of sales, chief programmer, head of customer support, and the receptionist.*

After founders, the next in the pecking order goes to people with big titles like CEO, VP, Directors, and managers. Respect all these people. But watch for the exceptions.

*See that guy in the sweatshirt sitting along the back wall eating his sandwich? Watch what eye contact the big shots make with him. He might hold all the power. After all, you are in the valley of the nerds. Often, the power is not where you expect it to be.*

The people you meet will check you out before or after the meeting, to see if they should take you seriously. They will try to find someone they already know that knows you, and will check out that reference. They'll also research you online, and they will relate to things they can easily quantify. For example, they will be impressed if you have a PhD, if you went to a top-tier university in the USA, or if you have a lot of PhDs working for your company. Feature this on your web site and in your LinkedIn profile.

*Tip: Most people in the US do not put their qualifications on their business cards, even if they do have a PhD. They don't put qualifications on their email signatures, either.*

- 6. Wear the right attire for the meeting:** Find out what attire is expected, and adjust to the market. Jeans are OK for meetings at social networking companies like Zynga or Facebook, but only if you are under 40. It is customary to wear a jacket and open collar at B-to-B companies like Cisco, Oracle, and Salesforce. American women dress more discretely than those in New Zealand: we expect to see more clothing and less of you. Adjust accordingly. For conferences, ask someone what the dress code will be before you go.

*Tip: Don't turn up for meetings with venture capitalists wearing board shorts, flip flops, and sunnies. Enough said. It happened.*

7. **Learn to be on time, and communicate if you are going to be late:** In the US, meetings start on time. If you have a phone call scheduled, you are late if you are dialing two minutes late, and you should apologize: someone was waiting for you and you wasted their time.

*Tip: Don't call the CEO of a Nasdaq company 15 minutes late. There is no point – the CEO and the person who made the connection have already written you off. Being that late is only excusable if there is blood or a star customer involved. Preferably both.*

8. **Learn meeting protocol:** After starting a meeting on time, there is a mandatory 2 minute period for bonding. You can show interest in your partner by bringing some comments about your partner's recent financial results or a recent product announcement. It's also good to memorize a sentence or two about traffic, the economy, or some mutually loathed competitor.

*Don't: Talk about the weather. It's always the same.*

*Do: Bring something to say about the local sports team during playoff season. Celebrate a specific play if the team did well, or commiserate on their unfair elimination if they are out. You get 3 extra minutes for small talk during playoff season.*

After efficient completion of the mandatory bonding session, get down to business, and move to your point fast. If you have a demo, get to it promptly. If you are talking about business terms, move to them promptly. Nobody wants to waste time.

*Tip: We don't have time to 'catch up' in the valley: if you don't have a goal in meeting, don't go.*

Almost always, there will be action items for meeting participants to follow up on. Americans are not being repetitive when they go over them at the end of the meeting. They are making sure everyone at the meeting has the same list and knows who will do what, when, and how they will get back to each other.

*Do: Follow up on your action items. You absolutely, absolutely must follow up. Americans quickly get an idea of your business, but it is harder for them to evaluate if they can take you seriously. If you treat action items as casual, they will write you off very quickly. If you have said that you will get them data in 5 days, impress them by doing it in 4.*

*Don't: Promise to get back in a few days, then drop off the radar. You will never get another chance.*

Be careful with humor in meetings. Often, Kiwis show that they have opened up to someone by being funny with them, even making a joke about something personal ("Hey, I like your new suit. I didn't know they had those at the Warehouse!"). Don't do this with Americans. At a minimum they will be confused, and they could easily be offended.

## Build Connections

In Silicon Valley, people move jobs a lot. Growing companies are constantly pulling in new talent, startups are forming and expiring, and acquisition and spinout activities move people around. The result is that executives, especially senior ones, have strong networks. But they are very protective of their networks, because they depend on them for their futures. You need connections to penetrate the market, but you must treat them well or your connections will dry up.

- 9. Respect the connections you get:** When you are given a reference or an introduction, you have to take it or you will not get another chance. You must follow up on the introduction, and you must report back to the person who made it. Most references don't lead anywhere directly, but the network you build is how you entrench in the market.

When someone makes a connection for you, they are putting their reputation at stake. Seasoned executives in the valley will not give you their 'best' connections until you prove yourself and are credible in the market. The early referrals are a test, although you may not know that.

*We have met many expats and business people in the US who have been 'burned' by referring Kiwis into their networks. A connection is burned when there is no follow up. It makes the person providing the referral look stupid and it damages their network. It has happened to us. When that happens, referrals stop.*

- 10. Find a mentor with deep experience operating in the market:** What we have told you about in this article is just the tip of the iceberg. If you are serious about going into a market, you are going to move a lot more quickly if you find a guide. You will have to pay them. But, culture is a subtle thing and you are going to spend more time, goodwill, and money if you try to figure it out by experimentation. The way you represent your company, the way you communicate, and the way you handle yourself all adds up to your personal positioning. Who you are is determined through the eyes of your potential partners and customers. You need to have a way to be constantly getting feedback and revising to fit the market. Local knowledge is the way to do that.

*If you were going to China and did not speak any local language, think what kind of guide you would want. You'd choose a local who had lived there long enough to know the history, nuances, culture, and interesting little details to make the stay memorable, yet knew how to translate it all into your language. When coming to Silicon Valley look for the same kind of experience in a mentor.*

In this article, where we could we've illustrated our points with humor. But these issues are not a joke. If your company is not positioned relative to the US market or your web site is not aligned before you start contacting potential partners, then you are going to be judged as parochial before you even land in California. If you don't follow the local etiquette for confirming meetings or conducting them, you are going to be judged as unreliable. And if you fail to follow up with people who make connections for you, they will feel slighted and won't make any more connections for you.

When you operate in a new culture, it is easy to insult someone without knowing it. For example, if you are in New Zealand and you get an email from a US business partner on your Friday, you may think it is OK to wait until Monday to respond. But your partner sent the email on their Thursday, and they are likely to infer that you are not responsive. Unresponsive means not committed. But you told your partner you are committed. Now they see a lack of alignment between your words and your actions, and that throws your integrity in question.

A lot can go wrong quickly if you don't adapt cultures. People feel insulted, partners get angry, and relationships fray.

There is substance behind every one of our stories. We have talked to many people in the US, including lawyers, headhunters, VC's, customers, and potential business partners. They tell us stories about Kiwis because we are American in their eyes. These stories come from them. Now we are telling you. Take heed. Fit your culture to the market, and you might get in the door.

Use this Top 10 list to help guide your first few visits to the valley. Then you have to figure out how to survive the first 90 days in the market and your first year. You have to learn to engage and retain local employees and business partners. That means understanding what motivates them, and that is a whole set of new issues.

*Currently, David Russell is working in New Zealand and Martin McKendry is working in Silicon Valley.*

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