

KAPLAK
VENTURES

INDUSTRIENS FOND

FORENINGEN
CATALYZE



10 THINGS
TO CONSIDER
WHEN **EXPANDING**
TO THE **U.S. MARKET**

Background on the Climate Tech Catalyzer

Climate Tech Catalyzer, powered by Kaplak Ventures, Industriens Fond, and Foreningen Catalyze is an initiative aimed at helping innovative Danish climate tech startups scale, commercialize, and explore the U.S. Market.

Recognizing the unique challenges and vast opportunities that the U.S. presents, the program equips startups with invaluable insights, resources, and strategic connections.

Our goal is to demystify the complexities of entering the world's largest and most competitive market, leveraging our extensive experience in supporting Danish startups and other international companies with U.S. market expansion.



The Transformative Potential of the U.S. Market

Expanding into the U.S. market is an exciting yet challenging journey that requires a nuanced understanding of market dynamics, regulatory landscapes, and cultural differences.

For Danish startups, particularly those in the Climate Tech sector, the U.S. offers a fertile ground for innovation and scale. The size of the market, coupled with a highly developed infrastructure for venture capital and business development, creates an environment where ambitious startups can thrive.

While Danish startups often limit their expansion to other Nordic or European markets, the U.S. offers unparalleled access to resources including capital, customers, talent, and strategic partners.





From our team's extensive experience facilitating U.S. market entry for startups as early as pre-seed and up through Series B, we have learned that meticulous preparation is key.

The U.S. market is highly competitive and demands a strategic approach. It requires startups to be agile, well-informed, and adaptable. The Climate Tech Catalyzer places a strong emphasis on comprehending market intricacies, cultivating valuable networks, and tailoring business practices to fit local contexts.

These efforts are crucial for overcoming the initial barriers and seizing the many opportunities that the U.S. market offers.

In this booklet, we have distilled our experiences and insights into ten critical considerations that Danish startups should bear in mind when expanding to the U.S.

Whether you are in the early stages of planning your expansion or already in the process, this booklet aims to be a valuable resource to guide you through the complexities and opportunities that lie ahead.

0 | Timing is key

Entering the market at the right time can make or break your success. Consider market conditions, economic climate, and seasonal factors when planning your entry.

In terms of company readiness, you'll need to ensure your product is "market-ready". This means it should be developed, tested, and adaptable to the U.S. market's specific needs and standards. You'll also want to evaluate whether your company has the capacity to handle expansion from an operational perspective. This includes having the right team, supply chain logistics, and customer support systems.

Expanding to the U.S. is not cheap. When planning to make the leap into the U.S., be confident that the financial weight of expansion will not harm your business in domestic markets. We typically recommend having at least 8 months of financial runway. This ensures you can sustain operations, test your product in the market, and build towards securing investment without jeopardizing your existing business.



02 Understand the market landscape & dynamics

While we often refer to the “U.S. Market” as if it is one large market, in reality, the U.S. is composed of many regional submarkets. Research specific regions where your product or service will have the most impact. For example, NYC is known for fintech and proptech, Boston for biotech and robotics, and Seattle for cloud computing.



Consider market size, customer demographics, local competition, talent availability, proximity to customers, suppliers, business partners, investors, and tax incentives before relocating team members or operations.

Over the course of the Climate Tech Catalyzer, we provide legal and tax advice for companies eager to expand to the U.S. via 'best practices' workshops.

03 Prepare high-quality assets in *American English*

You only have one chance to make a first impression. Ensure your assets—website, LinkedIn, pitch deck, and sales deck—are allowing you to put your best foot forward.

Beyond translating your website into English, you must ensure that all content is written in a *culturally* relevant way.

This means hiring a native *American-English* speaker who will ensure your assets utilize correct American spelling and who understands cultural nuances, idiomatic expressions, and industry-specific terminology.



04 Ensure legal and regulatory compliance

Navigating the legal landscape in the U.S. can be complex. Ensure your startup complies with federal, state, and local regulations. Consulting with a trusted legal expert can save you time and avoid costly mistakes.



Key areas to navigate include employment law, intellectual property, and discrimination laws. Familiarize yourself with “at-will” employment, protect your IP through proper registration and enforcement strategies, and uphold inclusivity and diversity to avoid legal entanglements.

Acceleration platforms such as Climate Tech Catalyzer often offer startups the opportunity to meet with leading U.S. attorneys and build relationships with prospective legal partners during dedicated ‘Office Hours’.

05 Adapt your communication style

If you want to walk the walk, you'll need to talk the talk.

While modesty is a virtue, it won't get you very far when it comes to doing business in the U.S. Americans are notorious for "talking a big game", which may be perceived by other cultures as being boastful or arrogant.

This is often particularly challenging for Danish founders who are used to comporting themselves according to "Jante Law." However, if you want to compete in the U.S. and attract top U.S. talent, you'll need to learn to talk about yourself and your company the way the Americans do.



06 Learn the U.S. business culture

Understanding and navigating cultural differences is crucial for building relationships and avoiding unnecessary conflict. The American business environment is characterized by direct, informal communication with a strong emphasis on efficiency.

Compared to Danish business culture, the U.S. favors a more straightforward communication style, so don't expect subtle body language or implicit messages to be understood. Interestingly, while Americans communicate directly, their approach to negative feedback is more indirect and often involves "sugar-coating." For instance, an investor saying, "That's an *interesting* idea," might actually mean, "That's an awful idea."

Leadership in the U.S. is more hierarchical, with decisions typically made at the top, contrasting with the more consensual approach in Denmark. Additionally, the American method of persuasion relies on inductive reasoning, whereas Danes are more accustomed to deductive arguments. That means, if you're writing an email to an investor, partner, or customer, you'll want to lead with the bottom-line argument, rather than with contextualization.



07 Implement a targeted approach

One of the most common mistakes startups make when they enter the U.S. is trying to take on too much. Don't try to conquer the entire market at once.

Determine which industry vertical aligns best with your product or service and position yourself as a leader in that niche.

Develop content, case studies, and white papers that demonstrate your deep understanding and innovative solutions. Become obsessed with understanding a specific customer profile and their buying journey.

When it comes to market *penetration*, tailored strategies are more effective than broad approaches.



08 Stay agile

While it's crucial to be targeted in your approach to the U.S. market, it's equally important to remain adaptable. Launching a product in a new market requires flexibility and the willingness to pivot.

Many companies believe they can enter new markets by following the same playbook that brought them domestic success. Though brand consistency is important, your U.S. customer is inherently different from your Danish or European customer, and will require adjusting your sales, marketing, and pricing approaches. You may even need to pivot your offering altogether.

Actively seek feedback from your U.S. customers, test and assess your approaches, and when something isn't working, change it!



09

Leverage your Danish-ness to recruit local talent

Local talent brings market-specific knowledge and can help navigate local business practices more effectively. When hiring U.S. talent, being Danish can actually give you an edge over your competitors.

Danish companies are known for their excellent work-life balance, which can be a significant selling point for U.S. talent. Emphasize your commitment to employee well-being and showcase your company's collaborative and inclusive culture.

Danish workplaces are often characterized by flat hierarchies and teamwork, which can appeal to talent looking for a supportive and engaging work environment.



10 Plug into the ecosystem

One of the most critical aspects of U.S. market expansion is immersing yourself within the local ecosystem to enhance your startup's visibility, credibility, and growth prospects.

Regularly attending industry events, conferences, and meetups help you build relationships with key stakeholders. These connections can lead to potential partnerships, customer leads, and investment opportunities. Not to mention, local ecosystems are rich sources of market insights. By networking with other startups, corporates, and industry experts, you can gain a deeper understanding of market trends, customer preferences, and competitive dynamics.

While establishing yourself in the ecosystem takes a lot of work, platforms like the Climate Tech Catalyzer are designed to save you ample time and resources by immersing you in an ecosystem of top investors, mentors, corporates, and startups from Day 1.





FINAL THOUGHTS

Entering the U.S. market offers immense opportunities for Danish startups but requires careful planning and execution. By considering the practical and tactical aspects outlined in this guide, you can navigate the complexities of the market and set your startup on the path to success.

We hope this booklet serves as a useful starting point for your expansion journey. Best of luck, and remember, the Climate Tech Catalyzer is here to support you!

To learn more about the Climate Tech Catalyzer, visit <https://kaplakventures.com/climate-tech-catalyzer/>