



YOUR GUIDE TO E.U. EXPANSION

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Introduction: Embarking on your journey to the E.U.

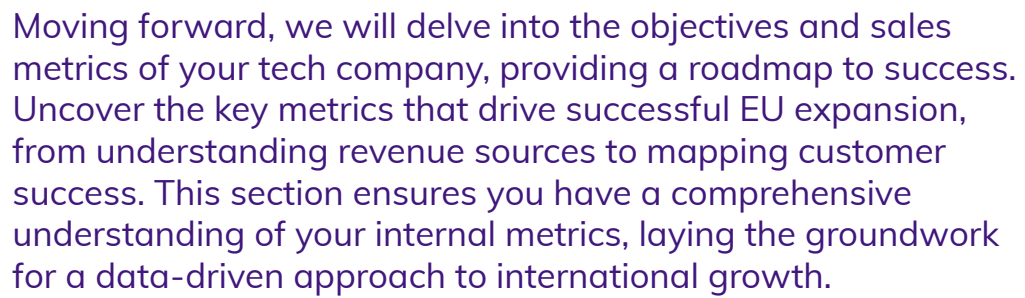


Welcome to “Your Guide to EU Expansion,” a comprehensive e-book meticulously crafted to guide tech companies through the intricate journey of expanding into the European Union. In the dynamic world of international business, the European market presents both challenges and opportunities. This guide is designed to be your strategic compass, providing insights, frameworks, and actionable steps to ensure a successful expansion into the diverse and complex European landscape.

This ebook is crafted for tech companies that are looking to expand into and across the European market.

Embarking on the journey of EU expansion requires strategic timing. Our guide begins by exploring the critical question of “When should we expand?” Drawing from expert insights, you’ll gain a nuanced understanding of the essential steps to take before venturing beyond your home market. From establishing a robust management team to achieving product-market fit, we lay the foundation for a successful international expansion.

To succeed in the European market, self-awareness is paramount. Our exploration continues with “Know Yourself and Your Customers,” delving into the intricacies of understanding internal metrics and customer profiles. Analyzing your happiest customers, vertical preferences, and sales metrics equips you with the insights needed to tailor your products and services effectively, setting the stage for a more targeted and personalized expansion strategy that’s still scalable.



Navigating the European landscape requires precision, and the section on “European Country and Vertical Mapping” offers invaluable insights. Learn how to strategically identify target markets, analyze competition, and factor in economic impacts. This section empowers you to craft a nuanced expansion strategy based on the unique dynamics of each European country, ensuring your approach aligns with local preferences and regulations.





As we explore “Different Expansion Sales Models,” we unravel the intricacies of choosing the right sales approach for your unique expansion journey. Whether it’s direct sales, channel sales, or other models, we provide insights into selecting the model that aligns with your goals and market dynamics.

Learn from Sales Force Europe’s more than 20 years as we help you navigate the complexities of EU expansion. Each section of this guide is crafted to empower tech companies — startups that have reached traction in their home market and have hit their seed or series A funding — ensuring that your expansion into the European Union is not just a venture but a resounding success.

As we unlock the layers of EU expansion, we invite you to absorb the insights, apply the strategies, do the math, and pave the way for your triumph in the European market. Let the journey begin!



When to expand

Welcome to the insightful journey of international expansion tailored specifically for tech companies eyeing the lucrative European Union market. In this chapter, aptly titled “When to Expand,” we delve into crucial considerations for companies contemplating a move into Europe.



Step 1:

Establish a solid foundation at home.

The decision to expand is unique for every company, and timing is everything. Before setting your sights on Europe, ensure that you've successfully planted your roots in your home market. This involves more than just dipping your toes in – it's about building a robust foundation. A well-functioning management team, a structured sales and marketing framework, and a transition from founder-led sales to a dedicated team are prerequisites. Establishing a product-market fit in your home market is vital, focusing on verticals where you understand customer needs and offer a solution that resonates.

Often, companies rush into international expansion without truly being ready. The website, case studies, and messaging must be polished, reflecting a deep understanding of your strengths and the value your product brings. A laser-sharp focus on who you are and what you excel at is crucial for successful international expansion.



Step 2:

Learn from your wins.

We're usually good at keeping up with our loss reviews, but win reviews are also a catalyst for success. Understanding why you succeeded in winning deals — especially in a new or competitive environment or industry — provides valuable insights. This knowledge becomes the cornerstone of your expansion strategy, helping you build on your strengths and differentiate yourself in the new market.



Step 3:

Make your products sticky.

In this dynamic tech landscape, product-led growth is a key concept. Making your product sticky – creating satisfied customers who become advocates – is crucial. Understanding why your customers bought your product, tracking time-to-value, and monitoring customer referrals are essential steps. This not only aids growth in your home market but also sets the stage for successful international expansion.



Step 4:

Don't forget your revenue checkpoints.

Before taking the leap to a new country, evaluate your revenue position. Aim for a range of \$1 to \$5 million in annual revenue, providing both proof of market demand and the financial capability to invest in expansion. Equally crucial is the budget for international expansion. Whether from internal revenue or external investment, having a clear budget is a must. Conversations with potential expansion partners should involve transparency about your funding and budgeting plans.



Strategic Guidance and Realistic Assessments

Partnering with experienced advisors can be a game-changer. A reliable partner will guide you through:

- Realistic assessment of your product
- Budget
- Market readiness. It's not uncommon for seasoned advisors to advise waiting until the right conditions align, ensuring your international expansion is a well-calculated move rather than a premature risk.

In the fast-paced tech industry, walking away from a market burns cash and credibility. Ensuring a comprehensive understanding of your market readiness is the key to unlocking successful international expansion.



Navigate success with objectives and sales metrics.

In this crucial section of “Your Guide to EU Expansion,” we delve into the heart of your strategy — understanding your objectives and defining sales metrics. Tailored for tech companies at various stages — whether startups, seeds, or series A or B — this page provides invaluable insights for those considering the leap into the European Union market.



Know thyself: Internal metrics matter.

Before venturing into new territories, take a reflective pause. We stress the importance of self-awareness. Document your sales and marketing team’s journey in the past year. Quantify lead generation efforts, digital marketing impact, outbound leads, and sales strategies. This introspective exercise involves evaluating the transition from founder-led sales to a structured sales team, understanding customer support dynamics, and achieving a solid product-market fit.



Map your metrics for a snapshot of success.

To start, there is a crucial distinction between defining strategy and planning.

A comprehensive strategy:

- Market definition
- Competitive analysis
- Understanding macroeconomic factors

Planning:

- Execution details
- Ideal Customer Profiles (ICP)
- Personas
- Average Contract Values (ACV)

It's important to dive into the nitty-gritty of metrics and map your home market first. The math that went into your home market is often repeatable and predictive for your next markets.

If, for instance, your company achieved \$2 million in revenue in 2023 with an ACV of \$50,000, it's time to analyze the numbers. Half of your business came from outbound lead generation, leading to 20 clients. Understanding conversion ratios from leads to opportunities and opportunities to deals is vital.



Bridge the gap: Home market success to international expansion.

Replicating the success achieved in your home market onto the international stage can be done. Understanding the ramp rate for lead generation reps and the duration of the sales cycle enables you to build a model for expansion. This meticulous approach empowers you to set realistic expectations for scaling your efforts in new markets.



Cautions and considerations: Regional variances and lead quality.

What does a lead truly mean? This cautionary note includes differentiating between markets and being aware of the challenges associated with reaching diverse audiences. A lead in one region may not equate to the same level of interest in another, and this awareness is crucial in crafting an effective international strategy. Sales Qualified Leads (SQLs) are individuals demonstrating genuine interest and need for your product, often agreeing to a meeting or product demo.

As you look to kick off on your EU expansion journey, arm yourself with a deep understanding of your internal metrics, objectives, and sales metrics, so you are better equipped to navigate the complexities of the European market and transform your aspirations into measurable success. Stay tuned for more insights as we unravel the layers of EU expansion for tech companies.

Know Your Customers

Welcome to the pivotal chapter of “Your Guide to EU Expansion” – “Know Your Customer.” In this section tailored for tech companies eyeing the European Union market, we delve into the strategic importance of understanding your customers and tailoring your approach for success.



KYC: Know your customers.

The next step in your expansion journey is an artful play on words— Know Your Customer (KYC). Traditionally a financial term, KYC takes on a new meaning as we explore the intricacies of analyzing and understanding your customer base in the tech landscape.



Customer Analysis: Unveil patterns and preferences.

- Who are your happiest customers?
- In which verticals do they thrive?

By conducting a thorough analysis across a subset of clients, patterns emerge. Perhaps half of your successful clients hail from the finance industry, while others flourish in retail. Recognize where your product resonates the most.



Craft your international expansion strategy.

Building your international expansion around one or two verticals with the best product-market fit is paramount. Seek out the verticals where you boast strong references, high-profile clients, and those you reached quicker time-to-value during implementation. Dive into the job profiles within these companies. Understand the unique value your product brings to different roles, shaping your ideal customer profile.



Data-Driven Market Selection: Seek precision in outreach.

When venturing into international markets, data is key. Identify countries housing the verticals and company sizes aligning with your strengths. Construct a detailed outreach methodology. You should consider:

- Emails
- LinkedIn engagement (plus Xing for German-speaking marketings, and Viadeo for France)
- Compelling case studies
- Personalization
- Calling

Personalize your content for different job profiles within the chosen verticals, showcasing that your product is tailored to their needs.

And always translate it for the new market, language, and culture.



Strategic Outreach for Success

Personalization is key. In a market where many companies offer great solutions, success lies in making your potential clients feel understood. Crafting personalized content that resonates with their specific needs ensures a more successful international expansion.

As you embark on this KYC journey, armed with insights into your happiest customers, their verticals, and the nuances of job profiles, you are better positioned to craft a targeted and effective international expansion strategy.





European Country and Vertical Mapping: Strategic insights for targeted expansion

As you look to expand your tech leads and sales into the European Union, it requires a keen understanding of the diverse landscape and strategic planning. In this chapter “European Country and Vertical Mapping,” we unravel critical insights for tech companies considering the European market.



Step 1:

Map your customer success across Europe

As you gear up for international expansion, the first step is to understand where your customers are located. It's crucial to analyze client success in different European countries. The key lesson? Tailoring your approach based on the unique dynamics of each market leads to more successful campaigns.



Step 2:

Identifying your target markets: Competition and economic impact

Knowing where your competition is based is paramount. Conduct thorough research to identify their successes and shortcomings in various markets. If your main competitors are thriving in Germany, it may not be your initial target. Consider markets where language barriers might provide you with a competitive advantage.

Larger countries offer substantial potential but may be challenging to crack. Germany, the largest European economy, tends to be both lucrative and demanding. Understanding economic impacts, especially in regulated industries like sustainability, is crucial. Consider which countries are more stringent in applying regulations that may affect your products. And don't forget that many EU countries share similar regulations.





Step 3: Don't overlook localization

Localization is often overlooked but plays a pivotal role. It is necessary to adapt your products for the European market, starting with language. Beyond linguistic considerations, understanding the cultural context, messaging, and pricing is essential. Localization is a key step in achieving product-market fit in diverse European markets.

In a technology-driven sector where English is often the norm, it's imperative to recognize the local nuances. Tailoring your language strategy based on the technical and cultural preferences of your audience enhances your chances of success.

With 27 countries to choose from — 51 if you want to conquer all of Europe — prioritization is key. Assess your readiness, market dynamics, and potential impact before deciding where to expand first. Engage in Q&A sessions to gather insights and refine your strategy based on valuable feedback.

As you navigate the intricate landscape of European expansion, armed with insights into customer success, market dynamics, and the nuances of localization, you are well-prepared to craft a targeted strategy for growth. Stay tuned for more insights as we continue to unravel the layers of EU expansion for tech companies.



Different Expansion Sales Models: Crafting your path to success

In the pursuit of EU expansion, the choice of sales models can significantly impact your success trajectory. Without a doubt, building robust business relationships with major corporations or prominent partners is pivotal. The question arises: How can tech companies forge these connections, and are traditional networking events the only route to meaningful relationships? Let's explore diverse methods that can pave the way for successful expansion strategies.



Digital marketing: The patient path to recognition.

The digital realm offers an avenue that requires patience but yields long-term benefits. Establishing a strong online presence through optimized organic and paid search for the European market is a common initial step. This method, though time-consuming, builds credibility and recognition, making your brand resonate with the target audience over time.



Strategic event participation: Build your brand.

Attending the right events is a dynamic strategy for building brand recognition. Securing a booth and actively engaging with attendees — in both English and the local language — allows you to make a lasting impression. This approach not only introduces your brand to potential partners but also provides an opportunity to network and cultivate relationships with key players in the industry.



Outbound campaigns: Proactive outreach for success.

For a more direct and proactive approach, outbound campaigns can be a game-changer. By prioritizing countries based on ideal customer profiles and leveraging data, an outbound lead generation campaign can be orchestrated. This involves utilizing various channels, including email, LinkedIn, and other social platforms, to reach key decision-makers. The focus should be on meaningful content contribution rather than mere sales pitches, fostering relationships and building your brand in the process.

As you go on your EU expansion journey, you must transcend passive strategies. Instead, actively identify potential clients, create targeted outreach campaigns, and contribute value to industry groups. Building relationships is not about chance encounters at events; it's a deliberate and strategic effort to position your brand favorably in the minds of potential partners.



Success Metrics and Team Structure: Chart your course

Understanding your metrics for success is equally vital. Delving into the nuances of KPIs, revenue targets, and team structures ensures a clear roadmap. Whether you opt for an internal team or collaborate with external providers, having a well-defined approach and understanding the time required for ramping up efforts is critical. Set realistic expectations, align revenue targets with booking metrics, and communicate these clearly within your team and to external stakeholders.



Localized teams: The power of native speakers

The dynamics of language and culture play a pivotal role in sales success. Consider building out your European team with native speakers who understand the subtleties of the local market. Whether hiring locals in the market or employing a third-party service, having individuals who can fluently communicate and resonate with the cultural nuances enhances your competitive edge.

In the vast European landscape, competition is fierce. Leveraging local expertise, crafting targeted outreach campaigns, and understanding the cultural landscape can make all the difference. As you explore different expansion sales models, adaptability, openness to feedback, and a nimble approach will be your allies in navigating the intricate terrain of EU expansion.

The journey unfolds. Let your strategy be your guide.

Conclusion: Navigating the Path to European Expansion Excellence

As we draw the curtains on this comprehensive guide to EU expansion for tech companies, it's evident that the journey is not a mere leap but a thoughtful, strategic progression. In the dynamic realm of technology, venturing into the diverse landscape of European markets requires precision, adaptability, and a deep understanding of nuanced strategies. Let's recap the key waypoints we've explored in this guide, each contributing to a roadmap tailored for success.



Commencing your European expansion journey demands a keen understanding of the **right moment** to embark. Timing is the catalyst that sets the tone for the entire venture. Whether it's identifying growth signals, aligning with market trends, or capitalizing on internal readiness, the timing of your expansion shapes the narrative of success.

Delve into the core of your business, **understand internal metrics**, and unravel the intricacies of your customer base from the bedrock of successful expansion. This self-awareness not only provides a **snapshot of your past achievements** but also serves as a compass guiding your steps into uncharted European territories.

With clarity on internal dynamics, the next imperative is **defining objectives and sales metrics**. Crafting a blueprint that aligns revenue targets, team structures, and success metrics is akin to designing the skeleton of your European presence. Success is not merely a destination but a well-charted course guided by realistic expectations and a nuanced understanding of key performance indicators.

The European landscape is diverse, with each country presenting unique challenges and opportunities. Armed with insights from **country and vertical mapping**, you're equipped to make informed decisions. Evaluating potential markets, understanding competition, and factoring in localization nuances become the pillars of a tactical approach to expansion.

The path to success is multifaceted, offering various models to tailor your approach. From the patient strides of digital marketing to the impactful presence at strategic events and the proactive outreach of outbound campaigns, each model brings its own set of advantages. **Adaptability** and a strategic mix can be the keys to unlocking doors in the European market.

In the ever-evolving landscape of tech and business, embracing the future entails more than just staying abreast of trends. It's about adopting a holistic approach that incorporates localized teams, a nuanced understanding of language and culture, and a commitment to building relationships that transcend geographical boundaries.

As you navigate the exciting yet challenging terrain of European expansion, let this guide serve as your compass. Whether you're a startup venturing into new territories or a seasoned company seeking to deepen your roots in the EU, the principles outlined herein are timeless. Success awaits those who blend strategic foresight with tactical precision, and as you embark on this journey, may your path be marked by triumphs, learning, and a lasting imprint on the European tech landscape.

Here's to your success in the vast and vibrant realm of EU expansion!



About the Authors

Sales Force Europe: The Simplest Way to Scale Your Tech Business in Europe

More speed. More expertise. Less risk.

Since 2003, the team at Sales Force Europe has been helping tech companies expand into and across Europe faster with sales outsourcing, lead generation, sales management and international expansion strategy. By leveraging sales reps, SDRs and BDRs who boast specialization, experience, and a local tech buyer network, we can help you get in front of qualified prospects in four weeks — not the typical six to 12 months it takes following the traditional recruitment or transfer way.

Set up for a call with our team today to learn more about how we can help you take on Europe.



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With special thanks to this year's cohort of [London & Partners](#) for providing feedback and inspiration. Good luck as you build your own EU expansion strategies!



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